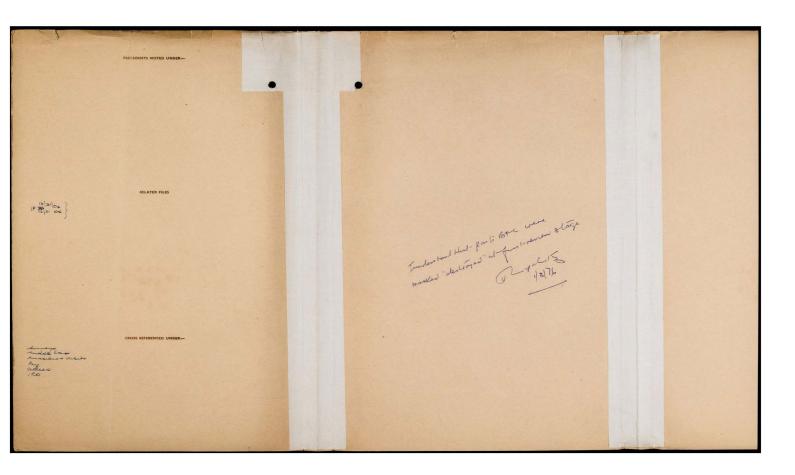
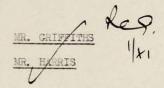
TREASURY 4.12.49. 24.2.50 FILE TITLE FILE NUMBER INDEX HEADINGS REFER TO DATE REFER TO DATE CLOSED 1981. AFTER COMPLETION REFER TO:-





To see Miss Waterlow's letter.

The Near East Relief and Works Agency is an organisation which the United Nations are proposing to set up in replacement of the United Nations Relief for Palestine Arab Refugees Association. If it is approved it will come into being as from the 1st April 1950 and will undertake both the administration of relief for the Palestine Arab Refugees and also the organisation of public works, the main object of which is to find employment for these refugees. It will work in close conjunction with the Governments of the Middle East countries and will be provided with a capital sum of \$48 million which will be available to be spent in grants or loans to the Governments concerned to enable them to finance the projected relief works. I should mention that the whole scheme at the moment is highly conjectural as we do not know whether the State Department U.S.A. will put up the \$24 million expected of it, and we ourselves are offering some resistance to the suggestion that H.M.G. should contribute & towards Ketolal NATUR \$12 million, . However it is pretty certain that even if the scheme is severely cut down, some agency of this wort will be set up though on a smaller scale.

Can you suggest anybody who would be at all likely to stand for the post of Director?

A# 2

1st December, 1949.

I have spoken to the Harris We book feel that their is the very Thing for his world Morton, wideed we had retter hoped this world energy from his present Survey Stomp's activities. And have it will need to be pure to him. Can I have it will need to be pure to him. Can I have that to you the for RCS

Mr. Golfiths

Foreign Office, S.W. 1.

29th November, 1949.

Dour Mr Clough,

You will have seen from recent telegrams from Washington and New York that the Americans have asked us if we can suggest names for the Director of the proposed Near East Relief and Works Agency.

We should be most grateful for any names that the Treasury could put forward. Meanwhile we are thinking of possibilities here and are also consulting the Commonwealth Relations Office regarding possible Commonwealth candidates.

M

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art

Yours silvery, P.W. Elw.

(C. Waterlow)

A.H. Clough, Esquire, Treasury, S.W. 1.

PROVIDING WORK FOR ARABS

U.N. PLAN TO SUPERSEDE RELIEF

FROM OUR UNITED NATIONS CORRESPONDENT LAKE SUCCESS, Nov. 30 Britain joined to-day with the United he States, France, and Turkey in proposing 1c- the creation of a \$50m. relief and works agency for the Near East on the basis of the findings of Mr. Gordon Clapp's economic survey group for assisting the

oo lele

Cypher/OTP E 12853/1821/31 Confidential

POLITICAL DISTRIBUTION

FROM FOREIGN OFFICE TO BEIRUT

No.1000 2nd December, 1949 D. 9.15 p.m. 2nd December, 1949

Repeated to Tel Aviv No.747
Amman No.903
Cairo No.2044
B.M.E.O. (Cairo) No.1806
Damascus No.862
Bagdad No.1265
New York (U.K.Delegation) No.4317
Washington No.11204

Saving to Angora No.244
Paris No.2944
Jedda No.402
Jerusalem No.318

PRIORITY CONFIDENTIAL

Addressed to Beirut telegram No.1000 of 2nd December, repeated for information to Tel Aviv, Amman. Cairo, B.M.E.O. (Cairo), Damascus, Bagdad, New York (U.K.Delegation) and Washington, and Saving to Angora, Paris, Jedda and Jerusalem.

Your telegram No.688A [of the 24th October: Frozen Arab Balances in Israel].

Following for Morton.

We cannot agree to the scheme as it stands. It is in our view open to the following objections:

(a) It appears that the Arab Government concerned will have to find the money pending a claim for repayment from Israel, which cannot be made until the general peace settlement. We consider it is beyond the resources of Jordan to find the sum contemplated;

- (b) The Arab Government are in any case given no real guarantee that they will ultimately get repayment from Israel. It is easy to visualise circumstances in which Israel will confiscate the balances on the ground that reparations are due from the Arab Government concerned.
- (c) Perhaps Horowitz meant to imply that His Majesty's Government might make sterling available to the owners of the frozen balances against a promise of repayment after a peace settlement, or might purchase the balances for sterling. Even to help the refugees we

cannot ask

41

CONFIDENTIAL

F.O. telegram No.1000 to Beirut

- 2 -

cannot ask Parliament to make a loan to private individuals on such slender security.

- 2. We would be prepared to consider the scheme in principle if Israel would agree to release the money through Israel's blocked sterling accounts in London for the specific purpose of refugee relief works.
- 3. The condition suggested in paragraph 2 above means that Israel would gain only political advantage. Such advantage should, however, do something to offset the bad impression created by her opposition to United Nations on Jerusalem, repatriation of refugees and compensation.

'kkk'

ACTION COPY 3

En clair.

UNITED NATIONS DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE.

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan.

D. 11.33 p.m. 2nd December, 1949.

No.2792.

R. 7.50 a.m. 3rd December. 1949.

2nd December, 1949.

Repeated to:- Amman, Bagdad, Beirut,

Jerusalem, Tel Aviv.

(All Saving) to: - Jedda, Paris, Washington.

Addressed to Foreign Office telegram No. 2792 of 2nd

<u>December</u>, repeated for information to Amman, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda, Paris and Washington.

Palestine Arab Refugees.

My telegram 2791.

The following is the text of the draft resolution passed by the Ad Hoc Committee.

The General Assembly:

Recalling its resolutions 212 (III) of 19th November 1948 and 194(III) of 11th December 1948

Affirming in particular the provisions of paragraph 11 of the latter resolution

Having examined with appreciation the first interim report of the Economic Survey Mission (A/1106) and the report of the Secretary General on assistance to Palestine refugees (A/1060 and A/1060/ADD 1).

- 1. Expresses its appreciation to the Governments have generously responded to the appeal embodied in its resolution 212 (III) and to the appeal of the Secretary General to contribute in kind or in funds to the alleviation of the conditions of starvation and distress amongst the Palestine refugees.
- 2. Expresses also its gratitude to the International Committee of the Red Cross to the League of Red Cross Societies and to the American Friends Service Committee for the contribution they have made to this humanitarian

/cause by



cause by discharging in the face of great difficulties, the responsibility they voluntarily assumed for the distribution of relief supplies, and the general care of the refugees, and welcomes the assurance they have given the Secretary General that they will continue their cooperation with the United Nations until the end of March 1950 on a mutually acceptable basis.

- 3. Commends the United Nations International Children's Emergency Fund for the important contribution which it has made towards the United Nations programme of assistance, and commends those specialised agencies which have rendered assistance in their respective fields, in particular the orld Health Organisation, the United Nations Educational Scientific and Cultural Organisation and the International Refugee Organisation.
- 4. Expresses its thanks to the numerous religious charitable and humanitarian organisations which have materially assisted in bringing relief to Palestine refugees.
- 5. Recognises that without prejudice to the provisions of paragraph 11 of General Assembly resolution 193 (III) of 11th December, 1948 continued assistance for the relief of the Palestine refugees is necessary to prevent conditions of starvation and distress among them and to further conditions of peace and stability, and that constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief.
- 6. Considers that subject to the provisions of paragraph 9(D) of this resolution, the equivalent of approximately dollars 33.700.000 will be required for direct relief and works programmes for the period 1st January to 31st December 1950, of which the equivalent of dollars 20,200,000 is required for direct relief, and dollars 13,500,000 for works programmes that the equivalent of approximately dollars 21,200,000 will be required for works programmes from 1st January /to 30th June

- 3 -

30th June 1951 all inclusive of administrative expenses, and that direct relief should be terminated not later than 31st December 1950 unless otherwise determined by the General Assembly at its fifth regular session.

- 7. Establishes the "United Nations Relief and Works Agency for Palestine Refugees":
- (A) To carry out in collaboration with local Governments the direct relief and works programmes as recommended by the Economic Survey Mission.
- (B) To consult with the interested Near Bastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available.
- 8. Establishes an Advisory Commission consisting of representatives of France, Turkey, the United Kingdom and the United States with power to add not more than three additional members from contributing Governments to advise and assist the Director of the Near East Relief and Works Agency in the execution of the programme the Director and the Advisory Commission shall consult with each Near Eastern Government concerned in the selection planning and execution of projects.
- 9. Requests the Secretary General to appoint the Director of the United Nations Relief and Jorks Agency for Palestine refugees in consultation with the Governments represented on the Advisory Commission.
- (A) The Director shall be the Chief Executive Office of the Near East Relief and works Agency responsible to the General Assembly for the operation of the programme.
- (B) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary General, including such of the staff rules and regulations of the United Nations as the Director and the Secretary General shall agree are applicable, and to the extent possible, utilise the facilities and assistance of the Secretary General.

 (C) The Director

-4-

- (C) The Director shall, in consultation with the Secretary General and the Advisory Committee on budgetary and administrative questions establish financial regulations for the Near East Relief and Works Agency.
- (D) Subject to the financial regulations established pursuant to clause (C) of this paragraph, the Director, in consultation with the Advisory Commission, shall apportion available funds between direct relief and works project [grp.undec.] discretion in the event that the estimates in paragraph 6 require revision.
- 10. Requests the Director to convene the Advisory Commission at the earliest practicable date for the purpose of developing plans for the organisation and administration of the programme, and of adopting rules of procedure.
- ll. Continues the United Nations relief for
 Palestine refugees as established under General
 Assembly resolution 212 (III) until 1st April 1950
 or until such date thereafter as the transfer
 referred to in paragraph 12 is effected, and requests
 the Secretary General, in consultation with the
 operating agencies, to continue the endeavour to
 reduce the numbers of rations by progressive
 stages in the light of the findings and recommendations
 of the Economic Survey Mission.
- 12. Instructs the Secretary General to transfer to the Near East Relief and Works Agency, the assets and liabilities of the United Nations relief for Palestine refugees by 1st April, 1950, or at such date as may be agreed by him, and the Director of the Near East Relief and Works Agency.
- 13. Urges all members of the United Nations and non-members to make voluntary contributions in funds or in kind to ensure that the amount of supplies and funds required is obtained for each period of the programme as set out in paragraph 6. Contributions in /funds may be

- 5 -

funds may be made in currencies other than the United States dollar, in so far as the programme can be carried out in such currencies.

- 14. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to advance funds deemed to be available for this purpose and not exceeding dollars 5,000,000 from the working Capital Fund and to finance operations pursuant to this resolution such sum to be repaid not later than 31st December 1950 from the voluntary Governmental contributions requested under paragraph 13 above.
- 15. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to negotiate with the International Refugee Organisation for an interest free loan in an amount not to exceed the equivalent of dollars 2,800,000 and to finance the programme subject to mutually satisfactory conditions for repayment.
- 16. Authorises the Secretary General to continue the special fund established under General Assembly resolution 212 (III) and to make withdrawals therefrom for the operation of the United Nations relief for Palestine refugees, and upon the request of the Director for the operation of the Near East Relief and Works Agency.
- 17. Calls upon the Governments concerned to accord to the Near East Relief and works Agency the privileges, immunities, exemptions and facilities which have been granted to the United Nations relief for Palestine refugees together with all other privileges, immunities, exemptions and facilities necessary for the fulfillment of its functions.
- 18. Urges the United Nations International Childrens Emergency Fund, the International Refugee Organisation, the World Health Organisation, the /United Nations

- 6 -

United Nations Educational Scientific and Cultural Organisation and the Food and griculture Organisation and other appropriate agencies and private groups and organisations in consultation with the Director of the Near Bast Relief and orks Agency to furnish assistance within the framework of the programme.

- 19. Requests the Director of the Near East Relief and orks Agency:
- (A) To appoint a representative to attend the meetings of the Technical Assistance Board as Observer so that the technical assistance activities of the Near East Relief and Lorks Agency may be coordinated with the technical assistance programmes of the United Nations and specialised agencies referred to in resolution 222A (IX) of the Economic and Social Council and:
- (B) To place at the disposal of the Technical Assistance Board full information concerning any technical assistance work which may be done by the Near East Relief and works Agency in order that it may be included in the reports submitted by the Technical Assistance Board to the Technical Assistance Committee of the Economic and Social Council,
- 20. Directs the Near East Relief and works Agency to consult with the Palestine Conciliation Commission in the best interests of their respective tasks.
- 21. Requests the Director to submit an annual report on the work of the Near East Relief and orks Agency including an audit of funds to the General Assembly of the United Nations and invites him to submit to the Secretary General such other reports as the Near East Relief and works Agency may wish to bring to the attention of members of the United Nations or its appropriate organs.
- 22. Instructs the Palestine Conciliation
 Commission to transmit the final report of the
 Economic Survey Mission with such comments as it may
 /wish to make

- 7 -

wish to make to the Secretary General for transmission to the members of the United Nations and to the Near East Relief and works Agency with particular reference to paragraph 11 of General Assembly resolution 194 (III) of 1st December, 1948.

Please repeat Amman, Beirut, Bagdad, Jerusalem, Tel Aviv as my telegrams 12, 69, 62, 66, 43 and Saving Jedda and Paris 56 and 240.

[Repeated to Amman, Beirut, Bagdad, Jerusalem and Tel Aviv and Saving to Jedda and Paris]

En Clair

UNITED NATIONS DISTRIBUTION

FROM NEW YORK TO FÖREIGN OFFICE

(From United Kingdom Delegation to the United Nations)

Sir A. Cadogan No. 2791 2nd December, 1949.

D. 11.45 p.m. 2nd December, 1949. R. 8.23 a.m. 3rd December, 1949.

Repeated to Amman,
Bagdad,
Beirut,
Jerusalem,

Will Die Brigger St. Co. St. St. St.

Tel Aviv,
Saving to Jedda,
Paris,
Washington.

Addressed to Foreign Office telegram No. 2791 of 2nd December, repeated for information to Amman, Bagdad, Beirut, Jerusalem, Tel Aviv, and Saving to Jedda, Paris, and Washington.

Palestine Arab refugees.

The Ad Hoc Political Committee completed its discussion on Arab refugees on December 2nd.

- 2. Hill made a statement on behalf of the Secretary General regarding par graph fourteen of the draft resolution. He said that it was unlikely that the Working Capital Fund would be able to advance five million dollars during the first half of 1950. While not wishing to amend the draft resolution, the Secretary General thought it his duty to point out that the sum likely to be available from the Working Capital Fund would be about three million dollars.
- 3. Abdul Rahin, Egypt, explained the amendments which he had introduced which were designed inter alia to avoid a drastic reduction in the number of rations issued to refugees.
- 4. The delegations of the United States, the United Kingdom, Turkey, and France said that they could accept the Egyptian amendments. Cadogan, United Kingdom, said that, while his delegation has accepted the amendment, they still thought that it was important to arrive at a reduction in rations, in accordance with the recommendations of the Economic Survey Mission, but were content to leave details to the Director and the advisory Commission of the new agency.
- 5. Shukairy, Syria, described at some length the process of Zionist gangsterism and anarchy planned by the Jewish agency, which had led to the present situation. He made considerable use of command paper number 6873 of July 1946. The problem was continuing to grow during the discussions of the United Nations e.g. the expulsion of the Azazmeh Tribe from Beersheba area. Israel's treatment of the Arab refugees

/was in violation ...

- 2 -

was in violation of the Universal Declaration on Human Rights, Repatriation was the only answer to the problem. His delegation appreciated the efforts of the Economic Survey Mission to provide temporary palliatives.

- 6. Jackel, Australia, said that his delegation supported the draft resolution. The terms of reference of the Director were however very brief, and in view of the complexity of the operations to be undertaken by the new agency, he felt that there ought to be a closer supervision by the United Nations. His draft amendment providing that the Advisory Commission could add to its membership three countries from among contributors was submitted with this end in view. His delegation was somewhat disturbed by the statement of the Secretary General regarding a loan from the Working Capital Fund. He thought that the use of the Fund for refugee relief, while justified in emergencies, was generally unsound, and that the resolution should now propose an amount which the Fund could not provide. His delegation would pursue this matter further in the Fifth Committee.
- 7. Dajani, Saudi arabia, dwelt at some length on the Jewish responsibility for the problem. His delegation would support the draft resolution as amended by Egypt.
- 8. Janali, Traq, also dwelt on Jewish responsibility for the problem and the effect of the Deir Yassim massacre in producing it. There were two lines of approach, the humanitarian and the political. The Economic Survey Missions report was, with some amendments, a satisfactory approach to the humanitarian side. Politically the only answer was for the United Nations to secure the repatriation of the refugees.
- 9. Eban, Israel, said that the refugee problem was one of the most tragic results of the declaration by the Arab States of war on Israel. The Arabs of Palestine had been exhorted by the Arab States not to set up an independent Arab State in Palestine to fight the establishment of the Jewish State and to await the bringing of victory by the Arab armies. The plight of the refugees was a direct result of the action of the Arab States in offering armed resistance to the General Assembly's resolution of the 29th November 1947, and those States could not now deny their responsibility. The problem was both humanitarian and one of regional stability. The Arab States could only solve it by cooperation with each other the United Nations and Israel. His Government urged a constructive approach by all Near Eastern States. Regarding the return of refugees, economic considerations must be secondary to the security of Israel. A mass influx of refugees

New York (United Kingdom Delegation to the United Nations) to gran No. 2791 to Foreign Office.

- 3 -

from hostile States would amount to the destruction of Israel. These speeches by Arab delegations in the Committee had confirmed the hostility of the Arab States to Israel and their unwillingness to reach a settlement. His Government was convinced that the only final answer to the problems lay in direct negotiations with each Arab Government. His delegation would support the draft resolution which marked the beginning of a constructive approach, and the Government of Israel would offer all possible cooperation in carrying it out.

- 10. Asqul, Lebanon, argued that the Arab States were not the creators of the problem, but that even if they were, Israel could not revenge itself on the Arabs of Palestine. He gave a long account of the negotiations at Lausanne with a view to showing Israel's intransigence and opposition to the will of the United Nations.
- 11. Shahi, Pakistan, said that the refugee problem was a direct produce of the General Assembly resolution of the 29th November 1947 and of the use of terrorism as an instrument of national policy by Israel. All who voted in favour of the resolution of November 1947 were responsible for the problem, and the present resolution was only a partial discharge of that responsibility. His delegation would aupport the resolution as amended by Egypt.
- 12. MacNaughton, Canada, said that his delegation were fully in accord with the report of the Economic Survey Mission and would support the draft resolution. He could not, however, commit his Government regarding their financial contribution to the scheme.
- 13. The delegate of the Netherlands said that he would vote for the resolution, but was profoundly disappointed that no practical steps had been taken towards the repatriation of the refugees. If Israel maintained its present attitude, there was bound to be a revulsion of international feeling against it.
- 14. The delegate of South Africa said that he would have to abstain on the resolution, since he had no instructions from his Government, but was sure that the latter would be in sympathy with its objectives.
- 15. After some discussion of the amendments proposed the whole resolution was passed by 48 votes including all the Arab States and Israel to six. (The Russian block and South Africa) with five abstentions. For text of resolution see my immediately following telegram.

Please repeat Amman, Bagdad, Beirut, Jerusalem, Tel Aviv, as my telegrams 71, 61, 68, 65, and 42 respectively and Saving Jedda and Paris as my telegrams 55 and 239.

[Repeated to Aman, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda and Paris].

The Changh to UNITED NATIONS DISTRIBUTION

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(From United Kingdom Delegation to the United Nations)

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En Clair

D. 11.45 p.m. 2nd December, 1949. R. 8.23 a.m. 3rd December, 1949.

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- 2 -

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/from hostile states ...

New York (United Kingdom Delegation to the United Nations) telegram No. 2791 to Foreign Office.

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[Repeated to Arman, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda and Paris].

En clair.

UNITED NATIONS DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE.

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan.

D. 11.33 p.m. 2nd December, 1949.

No.2792.

R. 7.50 a.m. 3rd December, 1949.

2nd December, 1949.

Repeated to:- Amman, Bagdad, Beirut,

Jerusalem, Tel Aviv.

(All Saving) to: - Jedda, Paris, Washington.

Addressed to Foreign Office telegram No. 2792 of 2nd

<u>December</u>, repeated for information to Amman, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda, Paris and Washington.

Palestine Arab Refugees.

My telegram 2791.

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The General Assembly:

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Affirming in particular the provisions of paragraph 11 of the latter resolution

Having examined with appreciation the first interim report of the Economic Survey Mission (A/1106) and the report of the Secretary General on assistance to Palestine refugees (A/1060 and A/1060/ADD 1).

- 1. Expresses its appreciation to the Governments have generously responded to the appeal embodied in its resolution 212 (III) and to the appeal of the Secretary General to contribute in kind or in funds to the alleviation of the conditions of starvation and distress amongst the Palestine refugees.
- 2. Expresses also its gratitude to the International Committee of the Red Cross to the League of Red Cross Societies and to the American Friends Service Committee for the contribution they have made to this humanitarian /cause by

- 2 -

cause by discharging in the face of great difficulties, the responsibility they voluntarily assumed for the distribution of relief supplies, and the general care of the refugees, and welcomes the assurance they have given the Secretary General that they will continue their cooperation with the United Nations until the end of March 1950 on a mutually acceptable basis.

- 3. Commends the United Nations International Children's Emergency Fund for the important contribution which it has made towards the United Nations programme of assistance, and commends those specialised agencies which have rendered assistance in their respective fields, in particular the world Health Organisation, the United Nations Educational Scientific and Cultural Organisation and the International Refugee Organisation.
- 4. Expresses its thanks to the numerous religious charitable and humanitarian organisations which have materially assisted in bringing relief to Palestine refugees.
- 5. Recognises that without prejudice to the provisions of paragraph 11 of General Assembly resolution 193 (III) of 11th December, 1948 continued assistance for the relief of the Palestine refugees is necessary to prevent conditions of starvation and distress among them and to further conditions of peace and stability, and that constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief.
- 6. Considers that subject to the provisions of paragraph 9(D) of this resolution, the equivalent of approximately dollars 33.700.000 will be required for direct relief and works programmes for the period 1st January to 31st December 1950, of which the equivalent of dollars 20,200,000 is required for direct relief, and dollars 13,500,000 for works programmes that the equivalent of approximately dollars 21,200,000 will be required for works programmes from 1st January /to 30th June

- 3 -

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- 7. Establishes the "United Nations Relief and Works Agency for Palestine Refugees":
- (A) To carry out in collaboration with local Governments the direct relief and works programmes as recommended by the Economic Survey Mission.
- (B) To consult with the interested Near Bastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available.
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- 9. Requests the Secretary General to appoint the Director of the United Nations Relief and Jorks Agency for Palestine refugees in consultation with the Governments represented on the Advisory Commission.
- (A) The Director shall be the Chief Executive Office of the Near East Relief and works Agency responsible to the General Assembly for the operation of the programme.
- (B) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary General, including such of the staff rules and regulations of the United Nations as the Director and the Secretary General shall agree are applicable, and to the extent possible, utilise the facilities and assistance of the Secretary General.

 (C) The Director

- (C) The Director shall, in consultation with the Secretary General and the Advisory Committee on budgetary and administrative questions establish financial regulations for the Near Dast Relief and Works Agency.
- (D) Subject to the financial regulations established pursuant to clause (C) of this paragraph, the Director, in consultation with the Advisory Commission, shall apportion available funds between direct relief and works project [grp.undec.] discretion in the event that the estimates in paragraph 6 require revision.
- 10. Requests the Director to convene the Advisory Commission at the earliest practicable date for the purpose of developing plans for the organisation and administration of the programme, and of adopting rules of procedure.
- 11. Continues the United Nations relief for Palestine refugees as established under General Assembly resolution 212 (III) until 1st April 1950 or until such date thereafter as the transfer referred to in paragraph 12 is effected, and requests the Secretary General, in consultation with the operating agencies, to continue the endeavour to reduce the numbers of rations by progressive stages in the light of the findings and recommendations of the Economic Survey Mission.
- 12. Instructs the Secretary General to transfer to the Near East Relief and Works Agency, the assets and liabilities of the United Nations relief for Palestine refugees by 1st April, 1950, or at such date as may be agreed by him, and the Director of the Near East Relief and Works Agency.
- 13. Urges all members of the United Nations and non-members to make voluntary contributions in funds or in kind to ensure that the amount of supplies and funds required is obtained for each period of the programme as set out in paragraph 6. Contributions in /funds may be

- 5 -

funds may be made in currencies other than the United States dollar, in so far as the programme can be carried out in such currencies.

- 14. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to advance funds deemed to be available for this purpose and not exceeding dollars 5,000,000 from the working Capital Fund and to finance operations pursuant to this resolution such sum to be repaid not later than 31st December 1950 from the voluntary Governmental contributions requested under paragraph 13 above.
- 15. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to negotiate with the International Refugee Organisation for an interest free loan in an amount not to exceed the equivalent of dollars 2,800,000 and to finance the programme subject to mutually satisfactory conditions for repayment.
- 16. Authorises the Secretary General to continue the special fund established under General Assembly resolution 212 (III) and to make withdrawals therefrom for the operation of the United Nations relief for Palestine refugees, and upon the request of the Director for the operation of the Near East Relief and Works Agency.
- 17. Calls upon the Governments concerned to accord to the Near East Relief and works Agency the privileges, immunities, exemptions and facilities which have been granted to the United Nations relief for Palestine refugees together with all other privileges, immunities, exemptions and facilities necessary for the fulfillment of its functions.
- 18. Urges the United Nations International Childrens Emergency Fund, the International Refugee Organisation, the World Health Organisation, the /United Nations

United Nations Educational Scientific and Cultural Organisation and the Food and griculture Organisation and other appropriate agencies and private groups and organisations in consultation with the Director of the Near Mast Relief and orks Agency to furnish assistance within the framework of the programme.

- 19. Requests the Director of the Near Bast Relief and orks Agency:
- (A) To appoint a representative to attend the meetings of the Technical Assistance Board as Observer so that the technical assistance activities of the Near East Relief and orks agency may be coordinated with the technical assistance programmes of the United Nations and specialised agencies referred to in resolution 222A (IX) of the Economic and Social Council and:
- (B) To place at the disposal of the Technical Assistance Board full information concerning any technical assistance work which may be done by the Near East Relief and works Agency in order that it may be included in the reports submitted by the Technical Assistance Board to the Technical Assistance Committee of the Economic and Social Council.
- 20. Directs the Near East Relief and Jorks Agency to consult with the Palestine Conciliation Commission in the best interests of their respective tasks.
- 21. Requests the Director to submit an annual report on the work of the Near East Relief and orks Agency including an audit of funds to the General Assembly of the United Nations and invites him to submit to the Secretary General such other reports as the Near East Relief and works Agency may wish to bring to the attention of members of the United Nations or its appropriate organs.
- 22. Instructs the Palestine Conciliation
 Commission to transmit the final report of the
 Economic Survey Mission with such comments as it may
 /wish to make

- 7 -

wish to make to the Secretary General for transmission to the members of the United Nations and to the Near East Relief and works Agency with particular reference to paragraph 11 of General Assembly resolution 194 (III) of 1st December, 1948.

Please repeat Amman, Beirut, Bagdad, Jerusalem, Tel Aviv as my telegrams 12, 69, 62, 66, 43 and Saving Jedda and Paris 56 and 240.

[Repeated to Amman, Beirut, Bagdad, Jerusalem and Tel Aviv and Saving to Jedda and Paris]

23

Foreign Office

LONDON, S.W.1.

2nd December, 1949.

With the compliments

of

Mr. B.A.B. Burrows

Jos concumentaplical.

A.H. Clough, Esq., TREASURY.

24

they might then to in a roughly have nextension but!

XXXXX

Immediate.

Confidential

Beirut

Beirut

Washington, UKDEL New York and B.M.E.O. and Saving to Damascus, Jedda, Amman, Tel Aviv and Paris. Bagdad & Cairc

Your tel. No.790 [of December 1 : Refugees and Development].

Following for Morton.

We are impressed by the views in Bagdad telegram No.1038 [of December 1st] which we believe may also apply to other countries.

Nevertheless the over-riding consideration which

washington and from the ideas which Hr. App

risk turning down the American ideas about organisation in the long term too definitely.

We do not know how much will be available for long-term development from our own sources or from the International Bank though the latter are in general very favourably disposed. Moreover even after the end of the Near Mast Relief and Works Agency (NERWA) period now proposed, the bound to be some continuing necessity for contributions directly tied to refugees.

will therefore almost inevitably for further direct U.S. contribe fear that if the whole idea of t an agency continuing after June on our insistence and against Am

the final/

Washington UKDEL New York B.M.E.O.

Saving to -Damascus Jedda Amman Tel Aviv Paris

Paris
Begdad
(auc

Registry: Please
copy F.O. tel to
Beirut No.974 and
Beirut tel No. 790

Beirut No.974 and
Beirut tel.No.790
to Bagdad, Damascus has brought
Jedda, Amman,
Tel Aviv and Paris risk turning

XXXXXX

Diplomatic

Copy to -Mr. Clough, Mr. Spicer Mr. N. Young Final report of the Survey Mission we may find the

Americans will thereafter be unable to obtain
they might then turn to us it say they have no alternative
any further funds. Ind will attempt to pass the

commitment to us on the grounds that we have

removed the only method by which they could obtain
funds from Congress.

2. In these circumstances we believe that your best course will be to continue to emphasise the difficulties we feel about a long-term agency, particularly with regard to its relations with the Arab States and to try to ensure that references in the final report to the establishment of a long-term agency are very closely related to continuing work for refugees. We do not believe that the Americans wish to have the Near Bast Development Institute (NEDI) or any other longterm agency taking part in the Nile Waters scheme or in Persia, and possibly not in Iraq either. It would be desirable that it should be made clear in the wording of the report that its functions do not touch on these development plans. | This would leave its maximum sphere the Jordan Valley and Jezereh and as these schemes have always been thought to be very intimately related with the future of the refugees, it should not be any loss from the American point of view to restrict the long-term agency to works or projects directly related to solving the refugee problem as this my be left over by NERWA.

t will also be desirable that the report

t be specific about the form of any longarticularly about its relationship
particularly
tions which we/hope would be
than that of NERWA

Bydad

E 14523 | 1521 | 31
En clair.

UNITED NATIONS DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE.

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan.

D. 11.33 p.m. 2nd December, 1949.

No. 2792.

R. 7.50 a.m. 3rd December, 1949.

2nd December, 1949.

Repeated to:- Amman, Bagdad, Beirut,

Jerusalem. Tel Aviv.

(All Saving) to: - Jedda, Paris, Washington.

Addressed to Foreign Office telegram No. 2792 of 2nd

<u>December</u>, repeated for information to Amman, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda, Paris and Washington.

Palestine Arab Refugees.

My telegram 2791.

The following is the text of the draft resolution passed by the Ad Hoc Committee.

The General Assembly:

Recalling its resolutions 212 (III) of 19th November 1948 and 194(III) of 11th December 1948

Affirming in particular the provisions of paragraph 11 of the latter resolution

Having examined with appreciation the first interim report of the Economic Survey Mission (A/1106) and the report of the Secretary General on assistance to Palestine refugees (A/1060 and A/1060/ADD 1).

- 1. Expresses its appreciation to the Governments have generously responded to the appeal embodied in its resolution 212 (III) and to the appeal of the Secretary General to contribute in kind or in funds to the alleviation of the conditions of starvation and distress amongst the Palestine refugees.
- 2. Expresses also its gratitude to the International Committee of the Red Cross to the League of Red Cross Societies and to the American Friends Service Committee for the contribution they have made to this humanitarian /cause by

- 2 -

cause by discharging in the face of great difficulties, the responsibility they voluntarily assumed for the distribution of relief supplies, and the general care of the refugees, and welcomes the assurance they have given the Secretary General that they will continue their cooperation with the United Nations until the end of March 1950 on a mutually acceptable basis.

- 3. Commends the United Nations International Children's Emergency Fund for the important contribution which it has made towards the United Nations programme of assistance, and commends those specialised agencies which have rendered assistance in their respective fields, in particular the orld Health Organisation, the United Nations Educational Scientific and Cultural Organisation and the International Refugee Organisation.
- 4. Expresses its thanks to the numerous religious charitable and humanitarian organisations which have materially assisted in bringing relief to Palestine refugees.
- 5. Recognises that without prejudice to the provisions of paragraph 11 of General Assembly resolution 193 (III) of 11th December, 1948 continued assistance for the relief of the Palestine refugees is necessary to prevent conditions of starvation and distress among them and to further conditions of peace and stability, and that constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief.
- 6. Considers that subject to the provisions of paragraph 9(D) of this resolution, the equivalent of approximately dollars 33.700.000 will be required for direct relief and works programmes for the period 1st January to 31st December 1950, of which the equivalent of dollars 20,200,000 is required for direct relief, and dollars 13,500,000 for works programmes that the equivalent of approximately dollars 21,200,000 will be required for works programmes from 1st January /to 30th June

- 3 -

30th June 1951 all inclusive of administrative expenses, and that direct relief should be terminated not later than 31st December 1950 unless otherwise determined by the General Assembly at its fifth regular session.

- 7. Establishes the "United Nations Relief and Works Agency for Palestine Refugees":
- (A) To carry out in collaboration with local Governments the direct relief and works programmes as recommended by the Economic Survey Mission.
- (B) To consult with the interested Near Bastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available.
- 8. Establishes an Advisory Commission consisting of representatives of France, Turkey, the United Kingdom and the United States with power to add not more than three additional members from contributing Governments to advise and assist the Director of the Near East Relief and Works Agency in the execution of the programme the Director and the Advisory Commission shall consult with each Near Eastern Government concerned in the selection planning and execution of projects.
- 9. Requests the Secretary General to appoint the Director of the United Nations Relief and Jorks Agency for Palestine refugees in consultation with the Governments represented on the Advisory Commission.
- (A) The Director shall be the Chief Executive Office of the Near East Relief and works Agency responsible to the General Assembly for the operation of the programme.
- (B) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary General, including such of the staff rules and regulations of the United Nations as the Director and the Secretary General shall agree are applicable, and to the extent possible, utilise the facilities and assistance of the Secretary General.

 (C) The Director

- (C) The Director shall, in consultation with the Secretary General and the Advisory Committee on budgetary and administrative questions establish financial regulations for the Near Bast Relief and Works Agency.
- (D) Subject to the financial regulations established pursuant to clause (C) of this paragraph, the Director, in consultation with the Advisory Commission, shall apportion available funds between direct relief and works project [grp.undec.] discretion in the event that the estimates in paragraph 6 require revision.
- 10. Requests the Director to convene the Advisory Commission at the earliest practicable date for the purpose of developing plans for the organisation and administration of the programme, and of adopting rules of procedure.
- 11. Continues the United Nations relief for
 Palestine refugees as established under General
 Assembly resolution 212 (III) until 1st April 1950
 or until such date thereafter as the transfer
 referred to in paragraph 12 is effected, and requests
 the Secretary General, in consultation with the
 operating agencies, to continue the endeavour to
 reduce the numbers of rations by progressive
 stages in the light of the findings and recommendations
 of the Economic Survey Mission.
- 12. Instructs the Secretary General to transfer to the Near East Relief and Works Agency, the assets and liabilities of the United Nations relief for Palestine refugees by 1st April, 1950, or at such date as may be agreed by him, and the Director of the Near East Relief and Works Agency.
- 13. Urges all members of the United Nations and non-members to make voluntary contributions in funds or in kind to ensure that the amount of supplies and funds required is obtained for each period of the programme as set out in paragraph 6. Contributions in /funds may be

- 5 -

funds may be made in currencies other than the United States dollar, in so far as the programme can be carried out in such currencies.

- 14. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to advance funds deemed to be available for this purpose and not exceeding dollars 5,000,000 from the working Capital Fund and to finance operations pursuant to this resolution such sum to be repaid not later than 31st December 1950 from the voluntary Governmental contributions requested under paragraph 13 above.
- 15. Authorises the Secretary General in consultation with the Advisory Committee on administrative and budgetary questions to negotiate with the International Refugee Organisation for an interest free loan in an amount not to exceed the equivalent of dollars 2,800,000 and to finance the programme subject to mutually satisfactory conditions for repayment.
- 16. Authorises the Secretary General to continue the special fund established under General Assembly resolution 212 (III) and to make withdrawals therefrom for the operation of the United Nations relief for Palestine refugees, and upon the request of the Director for the operation of the Near East Relief and Works Agency.
- 17. Calls upon the Governments concerned to accord to the Near East Relief and works Agency the privileges, immunities, exemptions and facilities which have been granted to the United Nations relief for Palestine refugees together with all other privileges, immunities, exemptions and facilities necessary for the fulfillment of its functions.
- 18. Urges the United Nations International Childrens Emergency Fund, the International Refugee Organisation, the World Health Organisation, the /United Nations

United Nations Educational Scientific and Cultural Organisation and the Food and griculture Organisation and other appropriate agencies and private groups and organisations in consultation with the Director of the Near Bast Relief and orks Agency to furnish assistance within the framework of the programme.

- 19. Requests the Director of the Near East Relief and orks Agency:
- (A) To appoint a representative to attend the meetings of the Technical Assistance Board as Observer so that the technical assistance activities of the Near East Relief and Lorks Agency may be coordinated with the technical assistance programmes of the United Nations and specialised agencies referred to in resolution 222A (IX) of the Economic and Social Council and:
- (B) To place at the disposal of the Technical Assistance Board full information concerning any technical assistance work which may be done by the Near East Relief and works Agency in order that it may be included in the reports submitted by the Technical Assistance Board to the Technical Assistance Committee of the Economic and Social Council.
- 20. Directs the Near East Relief and works Agency to consult with the Palestine Conciliation Commission in the best interests of their respective tasks.
- 21. Requests the Director to submit an annual report on the work of the Near East Relief and orks Agency including an audit of funds to the General Assembly of the United Nations and invites him to submit to the Secretary General such other reports as the Near East Relief and orks Agency may wish to bring to the attention of members of the United Nations or its appropriate organs.
- 22. Instructs the Palestine Conciliation
 Commission to transmit the final report of the
 Economic Survey Mission with such comments as it may
 /wish to make

- 7 -

wish to make to the Secretary General for transmission to the members of the United Nations and to the Near East Relief and works Agency with particular reference to paragraph 11 of General Assembly resolution 194 (III) of 1st December, 1948.

Please repeat Amman, Beirut, Bagdad, Jerusalem, Tel Aviv as my telegrams 12, 69, 62, 66, 43 and Saving Jedda and Paris 56 and 240.

[Repeated to Amman, Beirut, Bagdad, Jerusalem and Tel Aviv and Saving to Jedda and Paris]

E14320 | 1831 | 31 Code R

DIPLOMATIC DISTRIBUTION

FROM BEIRUT TO FOREIGN OFFICE

Sir W. Houstoun Boswall

No. 794
3rd December, 1949

D. 10.00 a.m. 3rd December, 1949

R. 10.37 a.m. 3rd December, 1949

Repeated to B.M.E.O. (Cairo) Cairo New York (U.K. Paris Washington Delegation)

(All Saving) Damascus Amman Tel Aviv

Jedda Bagdad Angora
Jerusalem

CONFIDENTIAL

Addressed to Foreign Office telegram No. 794 of 3rd December, repeated for information to B.M.E.O. (Cairo), Paris, Cairo, Washington, United Kingdom Delegation New York, and Saving to Damascus, Jedda, Jerusalem, Amman, Bagdad, Tel Aviv, Angora.

Following from Morton.

Clapp has decided provisionally that he and I with two typists, two members of United Nations staff and his personal assistant Hare will leave Beirut for Cairo on December 9th or December 10th.

- 2. Visit to Cairo will be unofficial. Object is to finalise the last report of Economic Mission in peace and quiet and to make the acquaintance of Sir J. Troutbeck and British Middle East Office [mut. gp.] I very much hope the former may find it convenient to be in Cairo about the dates mentioned.
- 3. My Turkish and French colleagues will proceed to Paris where Clapp and I will join them for the signature of the Mission's report about December 17th. Clapp will see representatives of the French Government while in Paris.
- 4. Not having been well recently Clapp proposes to travel from Cairo to Paris by easy stages leaving Cairo probably December 12th or December 13th.
- 5. Clapp proposes to be in London about December 19th when he hopes to visit the Foreign Office and see representatives of His Majesty's Government concerned with his report. I hope this can be arranged. I shall accompany Clapp until he leaves the United Kingdom for the United States about December 21st.

Foreign Office please pass to Paris, Washington, United Kingdom Delegation New York as my telegrams 17, 50, and 58 and to Angora as my telegram No. 24 Saving.

[Repeated to Paris, Washington, U.K.DEL. New York and 8888 Saving to Angora]

En Clair

UNITED NATIONS DISTRIBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Kingdom Delegation to the United Nations)

Sir A. Cadogan No. 2791 2nd December, 1949. D. 11.45 p.m. 2nd December, 1949. R. 8.23 a.m. 3rd December, 1949.

Repeated to Amman,
Bagdad,
Beirut,
Jerusalem,

Tel Aviv,
Saving to Jedda,
Paris,
Washington.

Addressed to Foreign Office telegram No. 2791 of 2nd December, repeated for information to Amman, Bagdad, Beirut, Jerusalem, Tel Aviv, and Saving to Jedda, Paris, and Washington.

Palestine Arab refugees.

The Ad Hoc Political Committee completed its discussion on Arab refugees on December 2nd.

- 2. Hill made a statement on behalf of the Secretary General regarding par graph fourteen of the draft resolution. He said that it was unlikely that the Working Capital Fund would be able to advance five million dollars during the first half of 1950. While not wishing to amend the draft resolution, the Secretary General thought it his duty to point out that the sum likely to be available from the Working Capital Fund would be about three million dollars.
- 3. Abdul Rahim, Egypt, explained the amendments which he had introduced which were designed inter alia to avoid a drastic reduction in the number of rations issued to refugees.
- 4. The delegations of the United States, the United Kingdom, Turkey, and France said that they could accept the Egyptian amendments. Cadogan, United Kingdom, said that, while his delegation has accepted the amendment, they still thought that it was important to arrive at a reduction in rations, in accordance with the recommendations of the Economic Survey Mission, but were content to leave details to the Director and the Advisory Commission of the new agency.
- 5. Shukairy, Syria, described at some length the process of Zionist gangsterism and anarchy planned by the Jewish agency, which had led to the present situation. He made considerable use of command paper number 6873 of July 1946. The problem was continuing to grow during the discussions of the United Nations e.g. the expulsion of the Azazmeh Tribe from Beersheba area. Israel's treatment of the Arab refugees

/was in violation ...

- 2 -

was in violation of the Universal Declaration on Human Rights, Repatriation was the only answer to the problem. His delegation appreciated the efforts of the Economic Survey Mission to provide temporary palliatives.

- 6. Jackel, Australia, said that his delegation supported the draft resolution. The terms of reference of the Director were however very brief, and in view of the complexity of the operations to be undertaken by the new agency, he felt that there ought to be a closer supervision by the United Nations. His draft amendment providing that the Advisory Commission could add to its nembership three countries from among contributors was submitted with this end in view. His delegation was somewhat disturbed by the statement of the Secretary General regarding a loan from the Working Capital Fund. He thought that the use of the Fund for refugee relief, while justified in emergencies, was generally unsound, and that the resolution should now propose an amount which the Fund could not provide. His delegation would pursue this matter further in the Fifth Committee.
- 7. Dajani, Saudi Arabia, dwelt at some length on the Jewish responsibility for the problem. His delegation would support the draft resolution as amended by Egypt.
- 8. Janali, Iraq, also dwelt on Jewish responsibility for the problem and the effect of the Deir Yassim massacre in producing it. There were two lines of approach, the humanitarian and the political. The Economic Survey Missions report was, with some amendments, a satisfactory approach to the humanitarian side. Politically the only answer was for the United Nations to secure the repatriation of the refugees.
- 9. Eban, Israel, said that the refugee problem was one of the most tragic results of the declaration by the Arab States of war on Israel. The Arabs of Palestine had been exhorted by the Arab States not to set up an independent Arab State in Palestine to fight the establishment of the Jewish State and to await the bringing of victory by the Arab armies. The plight of the refugees was a direct result of the action of the Arab States in offering armed resistance to the General Assembly's resolution of the 29th November 1947, and those States could not now deny their responsibility. The problem was both humanitarian and one of regional stability. The Arab States could only solve it by cooperation with each other the United Nations and Israel. His Government urged a constructive approach by all Near Eastern States. Regarding the return of refugees, economic considerations must be secondary to the security of Israel. A mass influx of refugees

New York (United Kingdom Delegation to the United Nations) telegram No. 2791 to Foreign Office.

- 3 -

from hostile States would amount to the destruction of Israel. These speeches by Arab delegations in the Committee had confirmed the hostility of the Arab States to Israel and their unwillingness to reach a settlement. His Government was convinced that the only final answer to the problems lay in direct negotiations with each Arab Government. His delegation would support the draft resolution which marked the beginning of a constructive approach, and the Government of Israel would offer all possible cooperation in carrying it out.

- 10. Asqul, Lebanon, argued that the Arab States were not the creators of the problem, but that even if they were, Israel could not revenge itself on the Arabs of Palestine. He gave a long account of the negotiations at Lausanne with a view to showing Israel's intransigence and opposition to the will of the United Nations,
- 11. Shahi, Pakistan, said that the refugee problem was a direct produce of the General Assembly resolution of the 29th November 1947 and of the use of terrorism as an instrument of national policy by Israel. All who voted in favour of the resolution of November 1947 were responsible for the problem, and the present resolution was only a partial discharge of that responsibility. His delegation would aupport the resolution as amended by Egypt.
- 12. MacNaughton, Canada, said that his delegation were fully in accord with the report of the Economie Survey Mission and would support the draft resolution. He could not, however, commit his Government regarding their financial contribution to the scheme.
- 13. The delegate of the Netherlands said that he would vote for the resolution, but was profoundly disappointed that no practical steps had been taken towards the repatriation of the refugees. If Israel maintained its present attitude, there was bound to be a revulsion of international feeling against it.
- 14. The delegate of South Africa said that he would have to abstain on the resolution, since he had no instructions from his Government, but was sure that the latter would be in sympathy with its objectives.
- 15. After some discussion of the amendments proposed the whole resolution was passed by 48 votes including all the Arab States and Israel to six, (The Russian block and South Africa) with five abstentions. For text of resolution see my immediately following telegram.

Please repeat Amman, Bagdad, Beirut, Jerusalem, Tel Aviv, as my telegrams 71, 61, 68, 65, and 42 respectively and Saving Jedda and Paris as my telegrams 55 and 239.

[Repeated to Annan, Bagdad, Beirut, Jerusalem, Tel Aviv and Saving to Jedda and Paris].

E|4334|831|31. Cypher/OTP.

DIPLOMATIC DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE.

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan.

D. 4.36 p.m. 3rd December, 1949.

No. 2795.

R. 5.15 p.m. 3rd December, 1949.

3rd December, 1949.

Repeated to Washington, B.M.E.O. (Cairo), Beirut.

PRIORITY

CONFIDENTIAL.

Addressed to Foreign Office telegram No.2795 of 3rd December, repeated for information to Washington, B.M.E.O.(Cairo) and Beirut.

Arab refugees.

Following for Burrows from Sheringham.

Morton's letter to you of November 22nd and your telegram to Beirut No.974.

We succeeded in persuading the Chilean Delegation to drop its amendment to our joint resolution which would have instructed the Economic and Social Council to submit the final report of the Survey Mission with its comments to the Fifth General Assembly. Unless the mood of the United Nations changes there will however be a likelihood of an attempt to discuss the report in the next General Assembly. It is to be hoped that it will be framed in such a way as not to give a pretext for a discussion of matters outside the authority of the United Nations or[sic] whose discussion would not suit us or be unwelcome to the Arab states as interference with their internal affairs.

Morton's outline corresponds fairly closely to Eban's line of argument in the Ad Hoc Committee yesterday.

Please repeat to B.M.E.O.(Cairo) and Beirut as my telegrams 294 and 70 respectively.

[Repeated to B.M.E.O.(Cairo) and Beirut]

[Copy sent to Mr. Burrows]



United Nations A/C.5/366

A/C.5/366 3 December 1949

GENERAL ASSEMBLY

ORIGINAL: ENGLISH

Fourth session FIFTH COMMITTEE Item 18

PALESTINE

ASSISTANCE TO PALESTINE REFUGEES

(Report by the Secretary-General)

- 1. At its 55th meeting held on 2 December 1949, the Ad Hoc Political Committee has recommended that the General Assembly adopt a draft resolution (A/AC.31/12) concerning assistance to Palestine refugees. This draft resolution recognizes the necessity for continued assistance and to that effect:
 - (1) Considers that an equivalent of approximately \$54,900,000 will be required to carry out such assistance from 1 January 1950 to 30 June 1951, of which, subject to further adjustments, \$33,700,000 will be required for direct relief and work programmes throughout 1950, and \$21,200,000 for work programmes from 1 January to 30 June 1951, including administrative expenses.
 - (2) Establishes an agency to carry out, in collaboration with local Governments, direct relief and work programmes and to consult with Near Eastern Governments concerning measures to be taken preparatory to the time when international assistance will cease.
 - (3) Establishes an Advisory Commission to assist the Director of the agency in the execution of the programme.
 - (4) Continues the United Nations Relief for Palestine refugees until
 1 April 1950 or until such date as may be agreed between the
 Secretary-General and the Director of the new agency, the assets
 and liabilities of the United Nations Relief for Palestine Refugeer
 being then transferred to the agency.
 - (5) Urges all Members of the United Nations and non-Members to make the required voluntary contributions in funds or in kind to the special fund established under Resolution 212 (III) and continued by paragraph 16 of the draft resolution, with provision for an annual audit (paragraph 21)

/(6) Authorizes

- (6) Authorizes the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to advance funds deemed to be available for this purpose and not exceeding \$5,000,000 from the Working Capital Fund to finance operations pursuant to the resolution, such sums to be repaid not later than 31 December 1950 from the voluntary governmental contributions requested under the resolution.
- (7) Authorizes the Secretary-General, in consultation with the Advisory Committee, to negotiate with the International Refugee Organization for an interest-free loan in an amount not to exceed the equivalent of \$2,800,000 to finance the programme subject to mutually satisfactory conditions for repayment.

 Concerning administrative arrangements, the draft resolution provides (paragraph 9) that "...the Secretary-General .. appoint the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in consultation with the Governments represented on the Advisory Commission;
 - (a) The Director shall be the chief executive officer of the United Nations Relief and Works Agency for Palestine Refugees in the Near East responsible to the General Assembly for the operation of the programme;
 - (b) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary-General including such of the staff rules and regulations of the United Nations as the Director and the Secretary-General shall agree are applicable, and to the extent possible utilize the facilities and assistance of the Secretary-General;
 - (c) The Director shall, in consultation with the Secretary-General and the Advisory Committee on Budgetary and Administrative Questions, establish financial regulations for the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
 - (i) Subject to the financial regulations established pursuant to clause (c) of this paragraph, the Director, in consultation with the Advisory Commission shall apportion available funds between direct relief and works projects in their discretion, in the event that the estimates in paragraph 6 require revision;"

The financial provisions of the resolution call for the following comments:

A. Requirements for direct relief and work programmes:

The figures quoted in paragraph 6 of the draft resolution concerning the financial requirements for carrying out the programmes outlined in the resolution were based on the findings of the Economic Survey Mission for the Middle East. The estimated cost of the programme by quarters as from January 1950 to 30 June 1951 is as follows (in millions of U.S. dollars)

		1950 Querters				Qu	1951 Quarters		
		I	II	III	IA	Ī	II	Total	
I.	Direct Relief	6.7	5.1	4.5	3.9	-	-	20.2	
II.	Work Schemes								
	Labour Administration Materials, tools and	- 7	0.9	2.8	4.6	6.2	6.9	21.4	
	equipment		0.6	1.8	2.8	3.8	<u>4.3</u>	13.3	
	Total for Work Schemes	-	1.5	4.6	7.4	10.0	11.2	34.7	
	Totals -	6.7	6.6	9.1	11.3	10.0	11.2	54.9	
	Total for 1950 33.7 Total for 1951						21.2		

Estimated cost of the programme for direct relief in the first quarter of 1950, while corresponding to the present total requirements, allows for certain expenditures in connection with the establishment of a new agency. Estimated total costs for relief for 1950 assumes that direct relief will be reduced progressively to be terminated by 31 December 1950 unless otherwise determined by the General Assembly at its fifth regular session.

Estimates concerning work schemes are based on the programmes as outlined in the preliminary report of the United Nations Economic Survey Mission.

The above figures include all administrative expenses related to the programmes. Although the preliminary estimates prepared by the Economic Survey Mission do not distinguish between administrative and operational expenses, it is estimated that the administrative expenses would be less than \$2,000,000 in 1950. All the above expenses will be carried under the Special Fund and will not affect the United Nations budget. All facilities and assistance to be provided by the Secretary-General under paragraph 9 of the resolution will be within the limits possible under the existing provisions of the 1950 budget.

B. Advances from the Working Capital Fund:

Article 14 of the draft resolution provides that in order to carry out the programme, it will be necessary to finance its operations through the advances from the Working Capital Fund pending receipt of governmental contributions. The Secretary-General will endeavour to advance such funds /within

within the possibilities of the Working Capital Fund. As stated on his behalf, before the Ad Hoc Political Committee, however, these possibilities will be limited during the first half of the year due to the fact that many of the contributions from Members to the 1950 budget will not be received prior to July. As a result, the Secretary-General considers that, as far as can be foreseen at present, cash advances probably could not exceed \$3,000,000 up to 1 July 1950. Attention of the members of the Fifth Committee is also called to the fact that the position of the Working Capital Fund would be impaired should contributions in U.S. dollars to the special fund by Members be unduly limited.

C. Loan from the International Refugee Organization:

Article 15 of the draft resolution authorizes the Secretary-General to negotiate with the International Refugee Organization an interest-free loan subject to satisfactory conditions for repayment in order to help carry the programme, pending receipt of contributions from Governments.

The Secretary-General is prepared to undertake such negotiations, it being his understanding that repayments will only be made from funds contributed to the special fund and in such currencies as may be mutually agreed upon.

RELIEF FOR PALESTINE ARAB REFUGEES

The question of a further contribution for the relief of the Palestine Arab Refugees was referred to the Chancellor in August last. We then felt that in contributing last year over £1 million (then worth £4 m.) towards the total fund of \$32 million subscribed for this purpose, we had already given more than our share. While it was clear that further funds would be required in 1950 we thought that

- (a) the prime responsibility for the relief and resettlement of the Palestine Arab Refugees rested with the Governments of the Middle East countries concerned;
- (b) for any further expenditure the emphasis should be on resettlement rather than relief;
- (c) H. M. G's contribution for next year should not exceed £2 m.
- 2. When the question was discussed by the Cabinet on the 29th August (C.M. 54th Conclusion), the Chancellor said that any further contribution by H.M.G. for the benefit of the Palestine Arab Refugees should be limited to gi million or at most gi million.
- 3. Shortly after this a Mission sponsored by the United Nations and consisting of representatives of the U.S.A. (Mr. Clapp, Head of the Mission), the U.K. (Sir Desmond Morton), France and Turkey, were sent to the Middle East
 - "... to examine the economic situation in the countries affected by the recent hostilities, and to make recommendations to the Commission for an integrated programme:
 - (a) to enable the Governments concerned to further such measures and development programmes as are required to overcome economic dislocations created by the hostilities;
 - (b) to facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees and the payment of compensation pursuant to the provisions of paragraph eleven of the General Assembly's resolution of 11 December 1948, in order to reintegrate the refugees into the economic life of the area on a self-sustaining basis within a minimum period of time;
 - (c) to promote economic conditions conducive to the maintenance of peace and stability in the area."

^{*} Footnote: The United States contributed \$16 million and 31 other Governments the remaining \$12 million.

- Agency, to be known as the Near Hast Relief & Works Association, should be set up to replace the organisation (United Nations Relief for Palestine Arab Refugees) which has hitherto undertaken the relief of the Palestine Arab Refugees. It is proposed that the new Agency should provide relief up to December 1950, and should also organise large scale "relief" works in the Middle Hast which will provide employment for the Refugees up to June 1951. These relief works for the most part will be administered by the local Governments concerned. The programme of relief and works is expected to cost, up to June 1951, a total of \$54 million (£18½ sterling) of which only \$6 million is likely to be contributed by the local Governments concerned. The Mission propose that the remainder of the cost (\$43 million) should be met by subscriptions from the Governments who have contributed in the past to the fund for the relief of Arab Refugees.
- 5. The State Department U.S.A. are disposed to favour this scheme and are proposing to put a resolution to the United Nations General Assembly setting up the new Agency. They suggest, however, that Congress will be unlikely to vote more than one-half of the \$48 million outside assistance contemplated, and that the U.K. will be expected to contribute at least one-quarter, \$12 million (= £4 million sterling). We are told that any financial assistance we have already given to the Middle Mast Governments to enable them to undertake development works (e.g. the £1 million loan for Jordan) would be allowed to reckon towards the U.K. contribution.
- 6. The suggested U.K. subscription to the new agency is considerably more than the \mathcal{L}_2^1 million sterling which we have hitherto regarded as the upper limit of any further payments by H.M.G. The Foreign Office have asked whether we could consider supplementing our suggested \mathcal{L}_2^1 million by a part of any "savings" which may be made on other Votes in 1950. Their main idea here is that we should regard the proposed winding-up of the International Refugee Organisation during 1950 as producing a saving of the U.K. contribution part of which might be used for the aid of the Palestine Arab Refugees. Even if we were disposed to accept that there was a case on merits for a larger contribution from H.M.G., there is just no prospect of any substantial windfall saving such as the Foreign Office have in mind. The devaluation of

49

sterling caused our subscription to I.R.O. this year to be increased by nearly £2 million, and to avoid having to get a Supplementary we hope to defer payment of the additional amount until next financial year. When this extra £2 m. is added to our share of the I.R.O. 4th year budget (as at present contemplated), the total is unlikely to be much below the £5.6 million provided in this year's Estimates as the U.K. contribution.

- 7. There are, however, other objections to the proposal. In the first place it ignores the view which we have consistently put forward that the prime responsibility for the Arab Refugees rests with the Middle East Governments themselves. Instead of bringing them to face this responsibility, by providing temporary employment for the Refugees at the expense of other countries, it would only encourage them to evade it.
- 8. The Mission hope that by June 1951 the Refugees will become selfsupporting and that the local Governments will then take over full responsibility. But no attempt has been made to integrate the suggested works projects
 with those recommended by the Middle East Official Committee as worthy of
 support on a long-term basis. In general the Mission contemplate that the
 Refugees should be found work in the areas where they are now living, and it
 seems most unlikely that these territories will ever be able to support
 anything like the present population from within their own resources. We
 cannot help feeling that on this point the Mission are being hopelessly
 optimistic. If they turn out to be wrong we shall be expected in 1951 to
 make a further large contribution to keep the Refugees in employment. And
 having settled down in these areas the Refugees will be more reluctant than
 ever to move.
- 9. As regards the financing of development projects in the Middle East, the M.E.O.C. felt that H.M.G. could not make any substantial contribution even by means of fully serviced loans, and that the schemes recommended would have to be financed mainly either by the United States or, to the extent to which the countries concerned could not finance projects from their own resources, by loans from the International Bank. It would inconsistent with this view for H.M.G. now to put up some A4 million as an outright gift to be spent on development schemes by an International Agency.

- 10. The proposal to allow an International agency, which might well have a very low standard of financial administration, to spend £4 million of the U.K. taxpayers' money at its own discretion, is inconsistent with our general policy in granting financial assistance to countries abroad.
- Mission and we are, presumably, committed to taking some action on its report, especially in view of our very real interests in the Middle Bast. It is desirable too that any further aid for the Refugees should be sufficient to lead to a cure of the problem: if it is too small it may not. But any contribution we make should be consistent with our long-term policy in the Middle Bast and offer some prospect of an eventual return for our money. No advantage can accrue from encouraging the settlement of large numbers of Refugees in areas with insufficient resources for their permanent maintenance. If, therefore, the Chancellor is disposed to improve on his earlier offer of the problem in the suggested that the additional contribution should be made subject to such strings as it
 - (a) encourages the other Governments concerned to make the maximum possible contribution themselves;
 - (b) brings pressure on the Refugees to move to areas whose natural resources are likely to be able to afford them a permanent living as distinct from temporary maintenance only supported by outside funds.

Further, our total contribution - including the £1 million loan already made to Jordan - should not bear a higher proportion (viz. $\frac{1}{5}$) to the total outside assistance given to the scheme than our last year's contribution to U.N.R.P.R.

12. A possible arrangement would be -

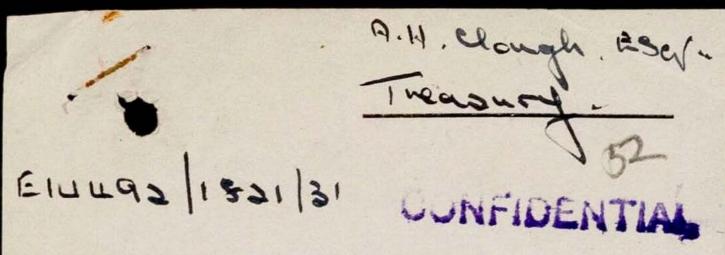
- (i) Our direct contribution to the new Agency should be limited to \$\mathbb{L}_{\text{e}}^1\$ million (\$\mathbb{Z}\$1.4 million). This will probably be required in any case for the maintenance of the Refugees during the next twelve months.
- (ii) Any further contribution should be in the form of a capitation payment for each refugee moved out of an area which offers little prospect of long-term maintenance to

take up employment in an area which is likely to be able to provide permanent maintenance from within its own resources. (A scheme on these lines is now being worked out in detail.)

- (iii) Grants under (ii) to be conditional upon other countries (excluding the U.S.A.) contributing in the proportion of £4 sterling for each £1 we subscribe.
 - (iv) Our total contribution, including that under (i) above and our £1 million loan to Jordan, should not exceed \$\frac{1}{8}\$ of the total contributions received from outside countries. This would make our total contribution approximately \$6 million.
 - (v) Our agreement to the above arrangements should be conditional upon the United States contributing \$24 million as suggested by the State Department.
- 13. Submitted.

A. H. CLOUGH

5th December, 1949.



WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to :- B| r. Caps.

Foreign Office,
51 December 1949

E 14492 | 1821 | 31 En clair

CLITICAL DIST IBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan

D. 12. 15 p.m. 2nd December, 1949.

No: 2770

R. 6. 30 a.m. 2nd December, 1949.

1st December, 1949.

Repeated to Amman.

Cairo.

Bagdad.

Damascus,

Beirut,

Jerusalem.

B.M.E.O. (Cairo), Tel Aviv.

And Saving to: Jedda,

Paris, Washington.

Addressed to Foreign Office telegram No. 2770 of 1st December, repeated for information to Amman, Bagdad, Beirut, B.M.E.O. (Cairo), Cairo, Damascus, Jerusalem, Tel Aviv, and Saving to Jedda, Paris and Washington.

Arab refugees.

The Ad noc Political Committee continued its discussion on December 1st.

- 2. Izzidin (Yemen) dwelt on the plight of the Arab refugees and said that his delegation would support the draft resolution after certain modifications so long as it did not conflict with the General Assembly resolution of 11th December 1948.
- 3. Fenaux (Belgium) said that his delegation would vote in favour of the draft resolution and that his Government would actively assist in its implementation. He was not of course committing his Government as to the size or form of its contribution.
- 4. Allendes (Chile) submitted an amendment requesting the Director of N. J.R. .. A. to appoint a representative to attend meetings of the Technical Assistance Board set up under resolution 222 (A) (9) of the Economic and Social Council and to place all information concerning technical assistance work undertaken by it at the disposal of the Technical Assistance Board. The amendment also pro osed the addition at the end of the draft resolution of

/the words

New York (U.A.Del.) telegram No. 2770 to F.O.

- 2 -

the words "and to the Economic and social Council in order that the latter may formulate such comments as it deems appropriate for consideration by the 5th Session of the General Assembly".

5. There being no further speakers the Committee adjourned until December 2nd. The following are on the list of speakers which is now closed: Israel, Syria, Saudi Arabia, Iraq, Lebanon, Pakistan, Egypt, Canada, Australia.

Foreign Office repeat Amman, Bagdad, Beirut, B.M.E.O. (Cairo), Cairo, Damascus, Jerusalem and Tel Aviv as my telegrams Nos. 70, 60, 66, 292, 116, 54, 64 and 40 respectively and Saving to Jedda and Paris as my telegrams Nos. 52 and 235 respectively.

[Repeated as requested].

11111

E14477 1821 31 Cypher/OTP

POLITICAL DISTRIBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan,

D. 11.47 p.m. 1st December, 1949.

No. 2771

1st December, 1949. R. 9.23 a.m. 2nd December, 1949.

Repeated to Cairo, Beirut, B.M.E.O. (Cairo), Washington.

AND SAVING TO: Amman,

Jerusalem,

Bagdad, Tel Aviv, Paris.

Jedda,

Damascus.

PRIORITY CONFIDENTIAL

Addressed to Foreign Office telegram No. 2711 of 1st December, repeated for information to Cairo, Beirut, British Middle East Office (Cairo), Washington and SAVING to Amman, Bagdad, Tel Aviv, Damascus, Jerusalem, Jedda and Paris

My telegram No. 2746: Arab refugees.

We, with the American and Turkish delegations have now persuaded the Egyptians to agree to the following:-

- (a) To add particular reference to paragraph 11 of the General Assembly Resolution of the 11th December, 1948 in the preamble and paragraph 20 of our draft resolution and to insert in paragraph 5 words making it clear that all action is without prejudice to paragraph 11 of the 1948 resolution;
- (b) To change the name of the agency to "Palestine Refugee Relief and Works Agency";
- (c) To insert provision in paragraph 8 that the Advisory Commission and the Director shall consult with each near eastern government concerned in the selection planning and execution of projects;
- (d) To authorise in a new paragraph 9 (d) the Director and the Advisory Commission to apportion available funds between direct relief and works projects in their discretion if the estimates in paragraph 6 of the draft resolution require revision;

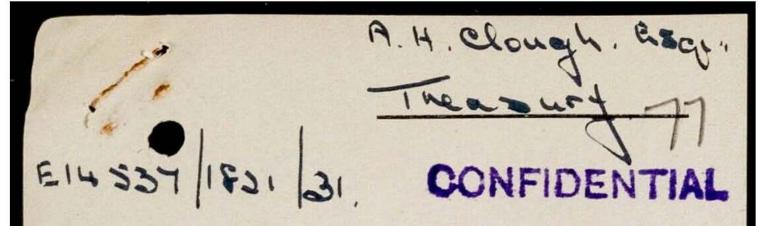
CONFIDENTIAL New York (UKDEL) telegram No. 2771 to Foreign Office. - 2 (e) The insertion in paragraph 6 of the draft of

- (e) The insertion in paragraph 6 of the draft of the words: "Subject to the provisions of paragraph 9 (d)", the insertion at the end of the words: "unless otherwise determined by the General Assembly at its 5th regular session" and a few other minor changes.
- 2. The Egyptian delegation has reluctantly agreed not to press its proposal to increase funds by \$27,000,000 and assures us that it will be able to secure the support of other arab Delegations for the resolution as now amended.

Foreign Office please repeat to Cairo, Beirut, B.M.E.O.(Cairo) as my telegrams Nos. 117, 67, 293, and Saving to Amman, Bagdad, Tel Aviv, Damascus, Jerusalem, Jedda, Paris as my telegrams Nos. 33, 38, 41, 36, 44, 53, and 236 respectively.

[Repeated as requested].

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WITH THE COMPLIMENTS

OF THE UNDER-SECRETARY OF STATE

FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to: - 8 T. CEPS,

Foreign Office,

LA December 1949

E14537/1831 31. Cypher/OTP.

DIPLOMATIC DISTRIBUTION.

FROM BRITISH MIDDLE EAST OFFICE (CAIRO) TO FOREIGN OFFICE.

Sir J. Troutbeck. D. 12.30 p.m. 3rd December, 1949.

No.508. R. 2.28 p.m. 3rd December, 1949.

3rd December, 1949.

Repeated to New York (UKDEL), Washington,

Beirut.

CONFIDENTIAL.

Addressed to Foreign Office telegram No.508 of 3rd December. repeated for information to U.K.Delegation New York, Washington and Beirut (For Sir D. Morton).

Your telegram to Beirut No.974 - Economic Survey Mission.

I have discussed this telegram with those members of the Development Division at present in Cairo and also with Mr. Waight and Mr. Noonan. The conclusionss correspond generally with the views which have been forming in our own minds about plans for long-term development. We would, however, offer the following comments.

(A) We fully agree that the creation of a new longterm agency would reduce the chance of cooperation with the Arab Governments. They are always prone to believe that the United Nations or the Western Powers are trying to impose something upon them, not for their own benefit but for the benefit either of the "Imperialists" or of Israel. Far from expediting the establishment of National Development Board, a new agency might result in its indefinite postponement. We are strongly of opinion that the method of approach upon which His Majesty's Government decided four years ago, viz. to work quietly and unobtrusively through the offering but not forcing of first-class expert advice, has proved most conducive to results. But if the work already done is not to stagnate B.M.E.O. may, as stated in your telegram, need to be strengthened whether by permanent or temporary additions particularly in thosefields where success has created the greatest demand. /(B) We feel that

CONFIDENTIAL.

B.M.E.O. (Cairo) telegram No. 508 to F.O.

- 2 -

- (B) We feel that great care will need to be exercised if His Majesty's Government and the United States Government intend to impose any kind of priorities as between the projects of different Middle East countries. There would inevitably be great heart-burning if, for example, Iraq were lead to believe that a project for Iraq had to take second place to a project for Egypt, or vice versa. Nor are we quite clear in what way His Majesty's Government and the United States Government would in actual fact be able to impose priorities except in the lending of their experts to the different countries. But the financing of projects would presumably rest with the International Bank or private lenders, who would have their own criteria.
- (C) There would be danger in representing longterm development programmes as part of the Palestine settlement. This might at once enhance the existing Arab suspicions that real purpose behind American activity in the Middle East is to get the Arab countries to cooperate in the economic field with Israel and so save that country from what they hope may be impending disaster.
- (D) The question of providing the necessary finance for long-term development still seems far from solution. While this may not apply to Egypt or Iraq, which have resources with which to back external loans, we cannot see what backing could be offered to the International Bank or other possible lenders by Syria, the Lebanon or Jordan. Until this question is solved any serious development in those countries seems doomed to protracted delay.

Foreign Office please pass to U.K. Delegation New York, Washington and Beirut as my telegrams 34, 48 and 124 respectively.

[Repeated to U.K.Delegation New York, Washington and Beirut]

G.R.

Mr Shat p inc Combie woned to be glad to home with you on this, if you agree he have

RELIEF FOR PALESTINE ARAB REFUGEES

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- (a) the prime responsibility for the relief and resettlement of the Palestine Arab Refugees rested with the Governments of the Middle East countries concerned;
- (b) for any further expenditure the emphasis should be on resettlement rather than relief;
- (c) H.M.G's contribution for next year should not exceed £2 m.
- 2. When the question was discussed by the Cabinet on the 29th August (C.M. 54th Conclusion), the Chancellor said that any further contribution by H.M.G. for the benefit of the Palestine Arab Refugees should be limited to \mathcal{L}_4^4 million or at most \mathcal{L}_2^4 million.
- 3. Shortly after this a Mission sponsored by the United Nations and consisting of representatives of the U.S.A. (Mr. Clapp, Head of the Mission), the U.K. (Sir Desmond Morton), France and Turkey, were sent to the Middle East
 - "... to examine the economic situation in the countries affected by the recent hostilities, and to make recommendations to the Commission for an integrated programme:
 - (a) to enable the Governments concerned to further such measures and development programmes as are required to overcome economic dislocations created by the hostilities;
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- 10. The proposal to allow an International Agency, which might well have a very low standard of financial administration, to spend \$4 million of the U.K. taxpayers' money at its own discretion, is inconsistent with our general policy in granting financial assistance to countries abroad.
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 - (b) brings pressure on the Refugees to move to areas whose natural resources are likely to be able to afford them a permanent living as distinct from temporary maintenance only supported by outside funds.

Further, our total contribution - including the £1 million loan already made to Jordan - should not bear a higher proportion (viz. $\frac{1}{8}$) to the total outside assistance given to the scheme than our last year's contribution to U.N.R.P.R.

- 12. A possible arrangement would be -
 - (i) Our direct contribution to the new Agency should be limited to \$\mathbb{E}_E^1\$ million (\$\mathbb{Z}\$1.4 million). This will probably be required in any case for the maintenance of the Refugees during the next twelve months.
 - (ii) Any further contribution should be in the form of a capitation payment for each refugee moved out of an area which offers little prospect of long-term maintenance to

- take up employment in an area which is likely to be able to provide permanent maintenance from within its own resources.

 (A scheme on these lines is now being worked out in detail.)
- (iii) Grants under (ii) to be conditional upon other countries (excluding the U.S.A.) contributing in the proportion of £4 sterling for each £1 we subscribe.
- (iv) Our total contribution, including that under (i) above and our £1 million loan to Jordan, should not exceed \$\frac{1}{6}\$ of the total contributions received from outside countries. This would make our total contribution approximately \$6 million.
- (v) Our agreement to the above arrangements should be conditional upon the United States contributing \$24 million as suggested by the State Department.

13. Submitted.

5th December, 1949.

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I set a count of \$\frac{1}{4}\text{m}. but to \$\text{as for the } \$\text{as for the } \$\text{December}\$

A. H. blough, By.,

(J. 9368/14210/6) Treasury.

With the compliments

OF THE UNDER-SECRETARY OF STATE

Reference:-

Copies also sent to :-

Mr. Spice (GE PS)

FOR FOREIGN AFFAIRS

Foreign Office, Dec 6 tt 19 49.

847 (740/143/49)



HIS Majesty's Ambassador at Washington presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs and has the honour to transmit to him the undermentioned documents.

British Embassy
Washington, D. C.

. 28th November ., 194.9.

Reference to previous correspondence:

(Reference Washington Chancery Despatch No.838 to the Foreign Office of 22nd November 1949).

Description of Enclosure.

Name and Date.

Subject.

Record of meeting held at International Bank, Tuesday, the 22nd November 1949. International Nile Waters Advisory Board.

(Copy sent to United Ringdom Supply & Treasury Delegation, Washington).

RECORD OF MEETING HELD AT INTERNATIONAL BANK, TUESDAY, 22ND NOVEMBER.

PRESENT:

Mr. M. Wright
Foreign Office
Mr. T. Evans
Foreign Office
Mr. D.A. Greenhill
British Embassy

Mr. R. Garner (Am.)
Vice-President, International Bank
Mr. Rist (Fr.)
Loan Director, International Bank
Mr. Hoar (Br.)
Assistant Loan Director, International
Bank
Mr. Schmidt (Am.)
Assistant to the Loan Director,
International Bank
General Wheeler (Am.)
Engineering Adviser, International
Bank
Mr. Stevens (Am.)
Loan Office, International Bank
Mr. Welk (Am.)
Economist, International Bank
Mr. Stevenson (Br.)
Economist, International Bank
Mr. Rosen (Am.)
Economist, International Bank
Mr. Rosen (Am.)
Economist, International Bank
Mr. Bohenski (Polish)
Economist, International Bank

At the request of the Vice-President of the Bank, Mr. Wright recapitulated H.M.G.'s attitude towards development in the Middle East area and explained the circumstances in which M.E.O.C. Interim Report and its annexes had been drawn up. The representatives of the Bank were passed a paper (attached) on the International Nile Waters Advisory Board and their comments were invited.

2. Mr. Garner replied that he agreed generally with the principle that the countries should be made responsible themselves for their economic development. He had discussed the possibilities of the Nile Valley Authority during his visit to Egypt and was anxious to offer the good offices of the Bank in this matter. He had no wish to lay down a blueprint for the organisation but welcomed an exchange of ideas. The development of the Nile Valley was an

8

imaginative project in which the Bank was prime facie very much interested. The Bank's point of view was three-fold:-

- (i) It preferred to lend money to a government direct or, alternatively, to an international Authority which was proportionately guaranteed by the Governments concerned.
- (ii) If a loan was made to an Authority, it was desirable that the Authority should be set up on a self-liquidating basis. The Authority should, in the Bank's view, have a source of revenue apart from national budgetary allocations which would assist the amortization of the debt to the Bank (in this connection he suggested that a Nile Valley Authority might derive revenue from the sale of water).
- (iii) To be effective in the Middle East area, the
 Bank must have command of sterling and
 currencies apart from the dollar. These
 projects, including the Nile Valley scheme,
 did not demand heavy dollar financing but the
 predominating currency required was sterling.
 The Bank's problem was to find the sterling
 and although the Bank had sterling funds on
 its books, these could not be utilized without
 the consent of H.M.G.
- 3. Mr. Hoar pointed out the difficulty of meeting the local expenditure involved in these projects. Countries concerned had very limited resources and the Bank itself could only help create local currencies in an extremely restricted manner.
- 4. Mr. Wright pointed out that he was in no position to commit H.M.G. on the question of the provision of

sterling but said that he hoped that other countries involved, e.g. France would participate in the schemes. Representatives of the Foreign Office and the Bank then examined in detail the schemes listed in the annex to M.E.O.C. Interim Report. The Vice-President of the Bank explained that his organisation had been prepared to assist the Egyptians in the first stages of the Quena project but that Egypt had felt herself capable of going ahead without outside assistance. As far as Iraq was concerned, the Bank Mission was at present in London, enroute to Baghdad, and they hoped to arrange a loan which would cover the financing of the Wadi Tharthar and Diyala schemes. The total sum involved was 8.4. million dollars for construction machinery, 5.1 million dinars and \$1.8 million. In the Lebanon, the Bank had indicated its willingness to go up to \$1 million for a loan for irrigation and were anxious to get a foot in the door of the Lebanon. They felt that the Lebanese Government were perhaps holding off pending the results of the Clapp Report. The Bank had received no serious approach from the Syrians and could not help Jordan as she was not a member.

boards were concerned, Mr. Garner said that the objective of the Bank was to attempt to separate the responsibility for development from the constantly changing governments. For this reason it would like to see set up separate authorities for the development of certain projects or industries with independent budgets which would remove the necessity of passing their operations through the national budgets. An over-all board with strong ministerial representation had therefore, from the Bana's point of

view, certain weaknesses. Mr. Evans pointed out the advantages of an organisation on the lines of the Sudan Plantation Syndicate and said he hoped it might be possible to follow this precedent in certain Middle East countries. Mr. Garner referred to American experience in Colombia where the municipal water supply of Barranquilla was run by a board of which the members of the Chamber of Commerce and the municipality were represented with a foreign general manager. This experiment had proven outstandingly successful over several years.

International Nile Waters Advisory Board

Consideration is being given to the establishment of an International Nile Naters Advisory Beard. Membership would be confined to the principal technical advisers of the governments concerned, namely Egypt, Sudan, Ethiopa, Uganda and possibly the Belgian Congo but its meetings might be attended by a representative of the International Bank as an observer. The Board would have a permanent seat and secretariat perhaps located in Cairo and it might be advisable to invite the Egyptian Government to appoint the Chairman to the Board. Its main responsibilities would be three-fold: -(a) Any Nile Waters project approved by a government which desired to obtain financial aid in its execution from the International Bank, would be referred to the Board for its advice and comments before final submission to the International Bank.

- (b) The Board would provide a staff of statisticians who would check, record and publish all meteorological and hydrological observations and data connected with Nile Waters projects.
- (c) Once a new Wile Waters Agreement had been reached, the Board would supervise its operation. In the meantime, it would supervise such interim arrangements (for example the recent Owen Falls Agreement) as may be made.

The principal advantages of the proposal are;
(a) It would provide a link with the International

Bank and thus facilitate the Bank's cooperation.

(b) It would be a logical development arising from the periodical discussions which have been taking place during the last few years between the technical advisers of the Gowrments of Egypt, Sudan and Uganda. Their meetings in future would not only become regular but would also enjoy the benefit of a permanent secretarist and statistical staff.

- (c) It would permit the problem of Nile Naters
 Development to be studied in an atmosphere free of
 pelitics. Political aspects would be dealt with through
 the local diplomatic channels.
- (d) It would leave responsibility for the execution of projects with the Governments concerned.
- (e) It would permit full scope to be given to the special experience and competence of Egyptian engineers in the control and utilization of Nile Waters.



WITH THE COMPLIMENTS OF THE MIDDLE EAST SECRETARIAT

With elbiss Waterlow's Compliments

Foreign Office, S.W. 1,

M250 37000-5

Cypher/OTP Confidential

DIPLOMATIC DISTRIBUTION

FROM FOREIGN OFFICE TO BEIRUT

No.1006 3rd December, 1949

D. 5.50 p.m. 3rd December, 1949

Repeated to Washington No.11228 New York (U.K.Delegation) No.4334 B.M.E.O. (Gairo) No.1810

Saving to Damascus No.351
Jedda No.406
Amman No.302
Tel Aviv No.168
Paris No.2956
Bagdad No.366
Cairo No.405.

IMMEDIATE CONFIDENTIAL

Addressed to Beirut telegram No.1006 of 3rd December, repeated for information to Washington, New York (U.K. Delegation) and B.M.E.O. (Cairo) and Saving to Damascus, Jedda, Amman, Tel Aviv, Paris, Bagdad and Cairo.

Your telegram No.790 [of December 1st: Refugees and Development].

Following for Morton.

me have found some difficulty in weighing two opposing sets of considerations. We recognise the strength of the American view as revealed by Mr. Clapp's meeting in Istanbul (Constantinople) and Mr. Wright's discussions in Washington that some reference to a long-term agency growing out of Near East Development and Works Agency (NERMA) is necessary if they are to obtain funds directly from Congress after the end of NERWA's existence in June, 1951. (We understand that in State Department view such direct assistance would be additional to Fourth Point assistance). If we oppose this idea too strongly there is the danger that we shall be generally thought to be reluctant to proceed with long-term development in spite of our public advocacy of it and in particular that after the end of NERMA the Americans may turn to us and say that they have no alternative but to pass any continuing commitment to us on the grounds that we have removed the only method by which they could obtain further funds from Congress.

2. On the other hand we are impressed by the views

in Bagdad telegram

CONFIDENTIAL

F.O. telegram No. 1006 to Beirut

- 2 -

in Bagdad telegram No.1038 [of December 1st] which we believe may also apply to other countries. It also seems tactically unwise to make any public suggestion that there will be any continuing organisation after the end of NERWA since this would remove the stimulus to Arab Governments to take over responsibility themselves which is provided by the terminal dates in the Interim Report. Moreover we are in no condition at present to undertake the commitment that would be implied in our association in a long-term agency nor can we now foretell the amounts of our resources we should be able to make available in any form for long-term development in the future. We much prefer that we should judge this question in relation to individual projects as each one becomes ripe for execution.

- We believe that much of the difficulty comes from failure to make a clear distinction between the planning and execution of long-term development projects as such and the probable need for a continuation of relief and/or relief works after the end of NERWA as at present planned. We cannot help being doubtful whether in fact direct American help will be available for long-term projects since those that are worthy of support will for that same reason be capable of securing International Bank finance. On the other hand pending the execution of these long-term projects with International Bank finance there will very likely be a continuing need for some organisation dealing with the problems of refugees and in particular to complete the transition from relief via relief works to long-term projects. It is this kind of work which the International Bank night find it very difficult to help since it might not be economic and for which therefore further direct governmental help would be essential.
- A. We suggest that you put frankly to Clapp as many of these considerations as you consider suitable and also if you think desirable to your French and Turkish colleagues in the course of discussing the form of your final report. In so doing you will no doubt be able to elucidate more precisely what the Americans have in mind as a long-term agency. We believe that in any case they would not wish this to concern itself with the Nile Waters scheme or the Persian Seven Year Plan and possibly not with the Iraq schemes either. If this is so its functions could be tied to schemes in

the Jordan Valley

95

CONFIDENTIAL

F.O. telegram No.1006 to Beirut

- 3 -

the Jordan Valley and Syria which had a very intimate relation with the future of the refugees and it would thus approximate more to a kind of continuing NERWA.

5. Our general conclusion is that we should prefer the report to make recommendations on the lines of those suggested in my telegram No.974 to Beirut [of November 29th]. But we should not like to press this view to the point where we were liable to charges of dragging our feet in long-term development or of obstructing altogether what the Americans believe to be the only way in which they can obtain further funds. If for these reasons you feel obliged to agree to some reference to a long-term organisation it should so far as possible be made clear that this would be of a consultative character and would deal only with those areas in which refugees are or can be settled, and preferably only with the stages leading up to the final execution of bank-worthy projects.

kkk

6.12.49

Dear Mr. Clough, I attach a copy of a Marte 1 worte for 12 Wright late last night about our contribution to Arch this with the secretary of State at Eastbource today. Mr. find figure is defferent for the one we rended on Saturday. We have cleaked as we can, & I stall he gled to been wretten you ague with them. I also endem a const to Make sinh Jing Spicer shored you is manuscript justuley. Yours situally, Chalter Watelow.

The latest figures for the total value of contributions from Governments to the United Nations Relief for Palestine Refugees is given on page 45 (Flag A) of the attached Report which the Secretary-General has just circulated to the General Assembly.

Against requirement of \$ 32 million contributions received have amounted to \$ 29.7 million. This figure includes:

\$ 4.4 million from the United Kingdom

= 14.8% of \$ 29.7 million.

g 13.4 million from the United States

= 45.1%.

\$ 1.8 million from France = 6.0%.

g 1 million from Canada = 3.4 %.

United Nations Relief and Works Agency for the period: January 1950 - June 1951, is \$54.9 million. If we contribute in the same proportion as our contribution to the United Nations Relief for Palestine Refugees our contribution would amount to \$\$\frac{1}{2}\$ million, equivalent at the present rate of exchange to \$2.4 million. Against this, the Chancellor of the Exchequer has already agreed that we can offer £500,000 during the coming financial year. The State Department have also

said that our £ | million loan to Jordan will probably be counted by Congress as part of our contribution for "matching purposes". The balance required to make up our contribution during the eighteen months' period is thus:

FOREIGN OFFICE, S.W.1. 5th December, 1949. Outline of a suggested "incentive" scheme designed to secure movement of Arab Refugees into areas capable of supporting them in the long term.

A. The Nature of the Problem

1. Few areas in the Middle Mast can be termed undeveloped in the sense that they have extensive resources only awaiting injection of the necessary capital and skill to bring about increases in their natural wealth. For the most part they are backward because they are deficient in such resources , or their natural assets are already exhausted. The refugee problem has so far proved particularly intractable because the great bulk of the refugees are in the poorest areas instead of those few areas that can truly be said to be undeveloped and are capable, with development, of supporting larger populations than they now have. It is none the less clear that, unless large numbers of the refugees are to die of starvation, no lasting solution independent of continuing outside assistance is possible if they remain in areas economically incapable of supporting their numbers even in the long term. Arab Government profess that there is great political difficulty for them in accepting refugees for development schemes before their own nationals, and also claim that they must respect the wishes of the refugees, few of whom wish to move. This may be true, but if these difficulties are accepted as insurmountable, it is tantamount to accepting the problem as insoluble. The scheme now outlined is designed to bring

Middle East Governments (and the refugees) face to face with the true nature of the problem and to meet some of their difficulties.

- 2. The purpose of the Scheme may therefore be stated as:-
 - (a) To bring home to Arab Governments rest ponsible for areas capable of economic development that sooner or later a considerable proportion of the refugees must be moved from the areas poor in resources where they are at present, unless relief or uneconomic works relief is to continue indefinitely, and that therefore they cannot avoid accepting a share of responsibility. Without this, other countries cannot, with the best will in the world, achieve a lasting solution.
 - (b) To secure a speedier solution of the Palestine problem than might otherwise be possible and thus bring to an earlier end our obligation, in common with other nations, to contribute to a succession of funds for interim measures. This can be the only justification for going beyond the £2million already authorised by the Chancellor.
 - 3. The "Incentive" to be provided.

For every additional 10,000 refugees moved from areas incapable of supporting them in the long term (such areas to be defined) into areas capable of supporting greater populations if their resources are developed (such areas to be defined) the United Kingdom will make an

/additional

additional grant of 275,000 in convertible sterling either through Near Rast Relief Works Agency or direct to the Government concerned, subject to the following provisos:-

- (a) The United Kingdom liability under this head is limited to £750,000.
- (b) For every sum of £75,000 so contributed by the United Kingdom Government the equivalent of £300,000 is contributed by other member Governments of the United Nations, excluding the United States Government.
- (c) After 31/12/50, the contribution of £75,000 for each 10,000 refugees so resettled shall be reduced to £50,000, and the "matching" contribution under (b) will be £200,000, and after 30/6/51 the offer lapses.
- in respect of each 10,000 refugees resettled may be paid over in advance to the applicant Government or Near East Relief Works Agency as appropriate on an undertaking being given that this number will be accepted, and subject to the production to Near East Relief Works Agency of plans for a works relief project accepted as being likely to add directly or indirectly to the productive resources of the country.
- (e) Any country accepting refugees for resettlement under these terms must accept a reasonable cross-section of the refugee populations of the camps. As a quid pro

quo for this condition, such countries may be allowed to absorb their own nationals on the projects for which the grant is being given, either in addition to or in substitution for the refugees, up to 50% of the number of the refugees accepted, provided always that full responsibility is acknowledged for all the number of refugees accepted. (This provision is designed (i) to enable the accepting countries to get over their political difficulties in providing settlement schemes for outsiders but not for their own nationals; (ii) to ensure that the unemployables are not the only refugees to remain in the camps for resettlement where they are; (iii) to secure a fair measure of absorption of those not suitable for employment on works schemes. (f) Refugees already within a country's boundaries, or numbers in respect of whom an undertaking to absorb them has already been given under previous conditions will not count towards additional contributions as defined above, but there would be no objection to their inclusion in projects financed by contributions in respect of additional numbers of refugees accepted and qualifying under (a) to (e) above.

Notes:- (1) It may be better not to define
qualifying reception areas, as countries
may thereby feel they are being put
"on the spot", and instead they could be
left to ask whether they qualify.

103

(2) It should be a first object to move some refugees from the Jordan area. The Gaza strip is even more of a political than an economic problem. The refugees who are there will be even more unwilling to move than those in the Jordan. In the last resort Egypt is a wealthier country than the Jordan.



WITH THE COMPLIMENTS OF THE MIDDLE EAST SECRETARIAT

With elbiss Waterlow's Compliments

Foreign Office, S.W. 1,

Date 6 - 12 - 14 9 E.w.

M250 37000-5

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on].

Cypher/OTP

DIPLOMATIC DISTABUTION

FROM BEIRUT TO FOREIGN OFFICE

Sir W. noustoun-Boswall

D. 4.45 p.m.5th December. 1949.

No: 800

R. 5.29 p.m.5th December. 1949.

5th December, 1949.

Repeated to Washington,

United hingdom Delegation New York, B.M.E.O. (Cairo).

And Saving to: Damasous.

ous. Paris,

Jedda,

Bagdad,

Amman,

Cairo.

Tel Aviv,

IMMEDIATE SECRET

Addressed to Foreign Office telegram No. 800 of 5th December, repeated for information to Washington, United Aingdom Delegation New York, B.M.E.O. (Cairo) and Daving to Damascus, Jedda, Amman, Tel Aviv, Paris, Bagdad, Cairo.

Your telegram No. 1006. Following from Morton.

I am most grateful for your telegram under reference. The situation is improving. The following outlines present the draft findings of the aconomic Mission's final report.

- 2. They begin by urging the middle East Governments, United Nations and "member Governments which desire to proffer friendly assistance to middle East" to recognise that peace and stability can only come when the peoples enjoy a higher standard of life which can only be achieved through their own efforts.
- 3. There is no short cut to prosperity which must come through the development of resources by the Governments and the peoples own pride.
- 4. The prosecution of the programme of works of relief authorised by the General Assembly must be carried out so as to shift more and more responsibility on to the local Governments and the project for works of relief must be /selected by

SECRET

Beirut telegram No. 800 to Foreign Office -2.

selected by N.E.R.W.A. so as to add to the productivity of national economics and laying the foundation for developments in the future which will offer permanent employment to more people.

- 5. The middle Mast Governments should form their own national development, board.
- 6. Recommends the Government of the Lebanon to survey the Litani properly with a view to its development as a unit. Also recommends encouragement and technical assistance from external sources [grp. undec.] financial aid:
- 7. Recommends the prosecution by the Jordan Government of the Wadi Zerka and Wadi Gilt projects as a whole. Also recommends provision for funds from those available to N.E.R.W.A. for works relief and an assurance to be given by "United Nations or individual friendly Governments of careful and sympathetic consideration for requests for credits or grants" to finish these projects if the money available from N.E.R. .. A. be insufficient.
- 8. Recommends the Syrian Government to proceed with the Gharb project together with a slightly less enthusiastic assurance of consideration of credits or grants. (The Mission thinks the Syrians can and must produce funds to begin the work and ought to be able to find enough to complete it).
- 9. Recommends the creation of a special fund of 10.000,000 dollars by those Governments appointing four members of the Advisory Commission of N.E.R.W.A. This fund to be available to the Advisory Commission and not directly for allocation to middle East Governments as grants raimbursable or otherwise as the Advisory Commission may decide to "facilitate research, technical studies and investigations, and to assist in the prosecution of pilot demonstration projects recommended by the Advisory Commission on application to it by the Development Board of a Middle East Government".
- 10. Please do not show this telegram to any American. French or Turkish authority.

Foreign Office pass Washington, United Kingdom Delegation New York as my telegrams Nos. 53 and 61 and Paris as my telegram No. 56 Saving respectively.

[Repeated to Washington United Kingdom Delegation New York and Saving to Paris.

DRAFT

- His Majesty's Government in the United Kingdom have already made available to the Kingdom of Jordan, £1 million, to be expended upon projects for the development of resources which will help to provide permanent employment for refugees from Palestine who elect to settle in Jordan.
- In response to an appeal from the Secretary-General of the United Nations arising out of a Resolution by the General Assembly of the United Nations dated 8th December, 1949, Hia Majesty's Government in the United Kingdom are ready to make a further limited contribution for the purposes of the United Nations relief and works Agency for Palestine refugees, on condition that it be expended primarily on giving destitute refugees from Palestine temporary work where they now are, or failing that, direct relief in the form of food, shelter and clothing, until temporary work can be offered to them.
- Being convinced that the problem of the Palestine Arab refugees can only be solved by their repatriation or resettlement with compensation, if they so choose, His Majesty's Government in the United Kingdom are ready to make a contribution additional to that mentioned in (2) above, on condition that it be expended upon the development of resources which will provide Call opportunities for the permanent settlement of those refugees choosing that course in accordance with the Resolution of the General Assembly of the United Nations dated 11th December, 1948. Detailed conditions upon which the additional contribution referred to in (3) above would be made, remain to be decided in
- consultation with other interested Governments.
- The additional contribution by His Majesty's Government in the United Kingdom referred to in (3) above, must be in proportion to the total amounts contributed by other Governments.

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above, and apart from the loan of 21 million to Jordan referred

to in (1) above, His Majesty's Government in the United Kingdom

are ready to make a contribution of up to one quarter of the

total amount provided by other Governments apart from the

United States of America; but subject to a total contribution

from the United Kingdom of 21 million, of which sum up to

2750,000 would be made available for the purposes mentioned in

(2) above and up to 2500,000 for the purpose described in (3)

above.

7. Of the £1 million referred to in (6), up to £

would be made available in non-convertible sterling and up to

in free sterling.

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- 1. H.M.G. has already contributed £1m. to Jordan which will be devoted to development schemes which will help in resettlement of Arab refugees.
- 2. H.M.G. is prepared to make further contributions to help resettlement in suitable areas, but does not consider that the refugee problem can be solved by providing employment in areas where there is little prospect of absorbing refugees on a long term economic basis.
- 3. H.M.Gs. further contributions must be related to the amounts contributed by other Governments. Subject to the conditions mentioned below, H.M.G. will be prepared to contribute up to one quarter of the amounts provided by other Governments, apart from the U.S.A., subject to an overriding total of a further £1 m.
- 4. This further contribution would be devoted partly to the maintenance of the refugees and partly to their resettlement, in suitable areas, in proportions of 2/5 and 3/5 respectively.
- 5. The payments in respect of resettlement will be conditional on the Agency negotiating with local Governments schemes which in the opinion of H.M.G. are likely to result in the transfer of refugees to areas in which there are reasonable prospects of their permanent absorption.
- 6. The schemes contemplated in para. (5) would be for payment to the Governments of the territories which are capable of absorbing the refugees on a long term basis of a proportion of the cost of works designed to provide opportunities for the resettlement of the refugees. The payments take account of the number of refugees so provided with employment.

Syria by Em hep &

6th December, 1949.

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1. H.M.C. has wherety contished &I will to development forder which will be devoted to development of and which in the represent of and represent

2. 14.14. G. is prof thed by make problem contributions to help resettlement in mit while are as, but when won't commider Mad. He refugee problem can be arrived by providing employment in ares when Make is little propert of above hing the represent the enemy of the see or a long to me economic horis.

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1.14 Clough Esq Treatsust 172 1514570 | 1821 | 31.

WITH THE COMPLIMENTS DENTIAL OF THE UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to: -BIT

Foreign Office,

Mecculo 1949

21/13/06?

Mrs Chyst INWARD SAVING TELEGRAM DIPLOMATIC DISTRIBUTION By Confidential Bag. FROM JEDDA TO FOREIGN OFFICE Mr. Trott R. 5th December, 1949... No. 40 Saving 30th November, 1949. Repeated Saving to Beirut, Damascus, Tel Aviv, Washington, Cairo, Bagdad, United Kingdom Delegation, New York. Amman, CONFIDENTIAL Addressed to Foreign Office telegram No. 40 Saving. repeated for information Saving to Beirut, Cairo, Bagdad, Amman, Damascus, Tel Aviv, Washington, and United Kingdom Delegation New York. Your telegram No. 1965 of 16th November to Cairo. Economic Survey Mission. I spoke in this sense to Fuad Hamza. 2. He informed me that he was leaving on November 27th for Beirut, and would see Mr. Clapp. He agreed that Saudi Arabia had shown herself in the past inhospitable to the Economic Survey Mission but pointed out that there did not seem to be anything she could usefully do to help about the problem. ZZZZ

1Fes. 1F21/13/06

TREASURY PRESS CUTTING SECTION

ROOM 126B/1 Ext. 535

reh.

Division

Extract from the

MAN. GUARDIAN

Dated

To

7 DEC 1949

Divisions wishing to make observations or action to be taken should communicate with:-

for Establishment or Civil Service topics:-

Mr. J.C. SEDDON EXT. 600 Room 38/G other topics:-Press Office, Ext. 261 or 83 Room 77A/1 N.P.O.

N.P.O.

ARAB REFUGEES

Clothes, Bedding, & Schools the Chief Needs

From a Correspondent

Mr. Elfan Rees, director of the Refugee Division of the World Council of Churches, has returned from a tour of Egypt, Lebanon, Transjordan, Arab Palestine, and Iraq, where he has investigated the needs of 820,000 refugees. He reports that bedding, clothing, and schools should be the chief priorities for Church action in the two "hard core" areas there.

M. 34-49

Mr. Rees carried out a check of conditions in numerous villages by comparison between refugees and the local inhabitants, obtaining opinions of Church workers, missionaries, Arabs, and Jews. The basic food ration of 1,800 calories and the provision of medical treatment leave refugees better off than the natives in those respects, but 85 per cent of the heads of refugee families are unemployed. There is urgent need of blankets, clothing, and schooling, both among the 105,000 refugees in Transjordan and the 230,000 crowded into the sandy, coastal strip around Gaza, where they are hemmed in on the north by the Israeli and on the south by the Egyptian Armies.

Mr. Rees will submit a plan based on his investigations to the World Council Refugees Division, calling for planned and co-ordinated action by Christian field workers in the Middle East, supported by gifts from Christians throughout the world.



WITH THE COMPLIMENTS OF THE MIDDLE EAST SECRETARIAT

With elbiss Waterlow's compliments

Foreign Office, S.W. 1,

Date 7 . 12 . 49

E.w.

M250 37000—5

Middle East Economic Development

Note of a Meeting held by Mr. Wright with Mr. Clough of the Treasury and Mr. Spicer, C.M.F.S. in the Foreign Office on 2nd December, 1949

(1) General Background

Mr. Wright said that the Middle East
Official Committee's Interim Report had been
given to the State Department whose reaction
to it had been entirely sympathetic. A
paper suggesting our general policy regarding
social development had also been given to
them. Mr. McGhee had circulated both papers
to the Istanbul Conference of Heads of
american Missions in the Middle East.
Lionist pressure on the United States
Government had now greatly diminished and
the time had come when the State Department
was feeling free to adopt a more objective
and a more forward policy as regards Middle
East development. Their thinking on this
subject had not, however, yet crystallized
and they were therefore at present
particularly receptive to our suggestions.

(2) Fourth Point Assistance to the Middle

The State Department have indicated that if the proposed fourth point programme is adopted by Congress about \$5,000,000 may be available for direct expenditure on technical assistance in the Middle East under bilateral arrangements. This money

would have to be spent on the salaries of experts and their equipment and fould not be used for capital projects. The great be used for capital projects. proportion of the experts would, moreover, have to be American though some might be nationals of the Middle East Governments concerned. The State Department estimated that on this basis the United States Government might be in a position to make would be not to find the money but to find the men. The State Department were concerned at the effect that this would have on the B.M.E.O. since they had no desire to duplicate the B.M.E.O.s activities. After discussion it had been agreed that it would probably be undesirable either to form a joint Anglo-American Middle East Office or to set up separate American Middle East Office. would be preferable for the american experts to be based on Washington and for the co-ordination of their work with ours to take place there. The State Department had as yet given no detailed thought to the way in which this programme might be carried out and they were very willing to welcome any proposals which we might put forward. It was suggested that a considerable part of this assistance might well be given in the form of technical training.

Mr. Wright said that this problem

shows examined in the first instance by the Working Party of the Middle East Official Committee.

(3) Assistance from the International Bank

Mr. Wright said that several meetings had been held with the International Bank. The latter had also been given the Middle East Official Committee's Interim Report and had approved the general approach and recommendations made in this paper. Representatives of the Bank had said that the Bank would probably be prepared to consider virtually every project in the annexes to the paper. They had pointed out, however, that the dollar content of the cost of the projects was relatively small and that sterling was the main form of external finance required. It would be undesirable to saddle the Middle East countries with dollar loans (on which in certain cases we should probably have to provide the dollars to pay the interest). This, however, raised the question of the use of the British sterling contribution to the Bank - a matter on which our policy had not yet been decided.

(4) Direct Assistance to Long Term Capital Development from the United States Government

Mr. Wright said that the State Department had emphasized the fact that apart from the fourth point programme the only point of direct entry for the United States Government into the field of Middle East development lay in the Arab refugee question. There was the possibility that Congress might grant funds for long term development on the basis of Mr. Clapp's recommendations (since he enjoyed a very high prestige in Congress) for projects providing for the resettlement of the refugees and carried out under some form of international supervision. followed from this that if N.E.R.W.A. were given functions for long term development or some separate body was set up for this purpose, the Nile Waters project, the seven year plan in Jett's and the irrigation development of Iraq, which is being financed by the International Bank, would be outside its scope. The activities of such a body could be confined to Jordan, Syria and perhaps Lebanon. If, therefore, it became apparent that finance for development in these three countries could not be provided by the International Bank or by His Majesty's Government we might have to be prepared to support the creation of an international body for long term development in these countries in order to draw the necessary funds from the United States.

(5) Other possible methods of Finance

Mr. Wright suggested:-

(a) that we should decrease the contribution

of £1,000,000 which we are making to technical assistance through the specialized agencies in order to provide a special bilateral technical assistance budget for the Middle East on the same line as the Americans (see paragraph 2 above).

(b) that the possibility should be examined of suggesting to the Middle East Governments that in return for the liquidation of their sterling balances we should undertake to provide either all the external finance or the sterling portion of such finance for their development projects.

It was agreed that (a) should be examined by U.N.E. and E.R. Departments and (b) should be considered by the Treasury.

C. Waterlow.

7/12.

A. H. Clough, Esq.

Col Rugalle Robinsons Cry for 12 Clargh,
To see. I expect you would react violently against X?

RELIEF OF ARAB REFUGEES 8/12

NOTE OF A MEETING held by MR. WRIGHT on the 7th December 1949, with MR. CLOUGH of the Treasury and MR. SPICER of the CENTRAL ECONOMIC PLANNING STAFF.

Mr. Clough informed the Meeting that the question of our making an additional contribution to Arab relief had now been discussed with the Chancellor. He wished, in the first place, to point out that any contribution which we might make to Arab relief amounted to a contribution to our unrequited exports and therefore added to the main impediment to our economic recovery. With this consideration in mind the Chancellor had, however, now agreed that we could offer an additional £750,000 to the contribution of £500,000 which he had already agreed to make to Arab relief. This contribution would cover the proposed eighteen months' relief period. He wished, however, to see conditions attached to the total contribution of £1,250,000 which would require it to be "matched" by other countries, and to the second part of the contribution (i.e. £750,000) which would ensure that it was used to account finance the transport of refugees who are now in areas where there are no economic possibilities of resettlement to areas where resettlement could take place on a sound economic basis. The total contribution of £1,250,000 would be in non-convertible sterling. The question of arrangements which should be made to secure the labore required further consideration. We might, for instance, either announce our decision immediately or withhold it for a period of a few months until we were satisfied that the right kind of works relief schemes were being adopted. In connexion Mr. Clough said that the Treasury were doubtful about the soundness of some of the schemes recommended in the Survey Mission's Interim Report, e.g., those for terracing barren hillsides. We might feel it desirable, when N.E.W.R.A. had been established, to insist on a revision of the schemes.

Mr. Burrows drew attention to the fact that resettlement on any large scale could only take place in the context of major long-term development schemes which were outside the scope of N.E.R.W.A. and for which the provision of finance was not at present in sight. In this connexion it was pointed out that Jordan was not yet a member of the International Bank and that Syria, although a member, had not yet invoked the Bank's assistance or been visited by its officials.

/Mr. Wright

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Mr. Wright suggested that there was a possible danger in adopting the "matching" principle, since if our example were to be widely followed by other contributing governments an impasse would be reached. He then enquired whether there were any other possible sources from which we could increase our contribution to the refugees. He suggested that:

(i) We might make a loan to Jordan of a sum equivalent to that which would become available to Jordan and to Arab Palestine when the assets of the Palestine Currency Board were liquidated; this loan would be conditional upon a promise that it would be spent in connexion with refugees.

Mr. Clough said that the Treasury had already given preliminary consideration to this suggestion, but saw considerable difficulty in it. They would however examine it further.

(ii) The possibility should be examined of ear-marking part of our million-pound contribution to Fourth Point Technical Assistance for assistance to the Arab Refugees.

Miss Salt said that it would be contrary to the agreed procedure to ear-mark any part of our contribution, but there was a possibility that we should not in the end be required to contribute the full million pounds. If this proved to be the case the Treasury could then be asked to agree that the balance should be allocated to the Arab refugees. The position would probably not be known until the Spring.

In conclusion, Mr. Wright expressed his warm appreciation of the Chancellor's agreement in principle to increase our contribution to the Arab Refugees and 10 the proposals put forward by the Treasury. These proposals would now be considered in detail in the Foreign Office and submitted to the Foreign Secretary.

Freign Office. 8.12.49.

120

Palestine Refugees

Meeting of 7th December

At a meeting in the Foreign Office at which Mr. Michael Wright took the Chair I described the Chancellor's reactions to the earlier suggestion that H.M.G. should make a contribution of \$\mathbb{B}_2\frac{1}{2}\text{m}\$. to the Near East Resettlement and Works Agency (N.E.R.W.A.) He was agreeable to some further contribution from H.M.G. for the aid of Palestine Arab Refugees. On the other hand he felt strongly that it would be altogether wrong to spend money in providing these refugees with work in areas where there was no prospect of their becoming permanently self supporting. He would be willing to provide a grant for the purpose of encouraging their movement to other areas where there was a prospect of long term settlement. He had indicated that the maximum grant to which he would be prepared to agree would be \$1\frac{1}{2}\text{m}\$. We should stipulate that this would be conditional upon other countries (U.S.A. excluded) contributing in the ratio of \$4: £1 from H.M.G. Our offer was on the assumption that the Americans would in any case put up at least \$24\text{m}\$. Our contribution was keeper and the structure of the structure.

Of the 11 m. to which the Chancellor was prepared to agree we would regard 2/5ths as available for maintenance and the remaining 3/5ths to be spent on relief works or other projects in areas which offered a prospect of permanent settlement. A rough outline of the conditions was given in a note which we handed to the Foreign Office (copy attached). Mr. Spicer suggested that the more detailed scheme he had prepared might be a possible way of carrying out the conditions suggested by the Treasury.

Mr. Wright said that the F.O. much appreciated the further offer which had been made by the Treasury. They would like to study it further and consult the Foreign Secretary. We all recognised that there would be certain difficulties in putting the Treasury suggestions into operation. On the other hand the Treasury scheme did offer some prospect of a permanent solution to the refugee problem whereas under the scheme submitted by the Survey Mission there was every likelihood that the refugees would remain in their present localities and continuing contributions be asked from outside Governments for an indefinite future period.

It was left that there would be further consultations between the F.O. and the Treasury when the Treasury offer had been further considered.

Aur

9th December, 1949.

IFCS. 121
pe. 21/13/06

En clair

UNITED NATIONS DIST IBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Ringdom Delegation to United Pations)

Sir A. Cadogan

D. 3. 44 p.m. 8th December, 1949.

No: 866

R. 9. 42 p.m. 8th December, 1949.

8th December, 1949.

Repeated to Amman, Tel Aviv,
Bagdad, washington,
Beirut, Jerusalem,
Cairo, Jedda,
Damascus, Paris.
B.M.E.O. (Cairo),

PRIORITY

Addressed to Foreign Office telegram No. 2866 of 8th December, repeated for information to Amman, Bagdad, Beirut, Cairo, Damascus, B.M.E.O. (Cairo), Tel Aviv, Washington, Jerusalem, Jedda and Paris.

Arab refugees.

The General Assembly adopted the resolution contained in my telegram to. 2791 this morning without discussion by 47 votes to none (repeat none) against with six abstentions.

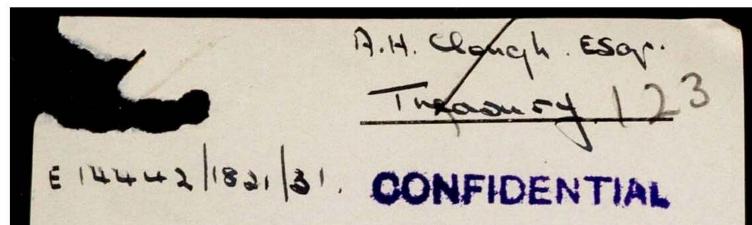
- 2. The last part of paragraph 21 beginning "With particular reference to paragraph 11" should be placed at the end of paragraph 20 and not (repeat not) as in my telegram No. 2791.
- 3. The Assembly will start its discussion on Jerusalem tomorrow.

Please repeat to Amman, Bagdad, Beirut, Cairo, Damasous, B.M.E.O. (Cairo), Tel Aviv, Jerusalem, Jedda and Paris as my telegrams Nos. 79, 68, 76, 123, 60, 301, 50, 74, 30 and 230 respectively.

[Repeated to posts named].

11111

His bluck of blough has passed on the 122 information in margin to this Waterland Mr. Clough Miss Waterlow rang and would like to know the answer to 2 questions: -1. This figure of $£1\frac{1}{4}m$. that the Chancellor has now agreed for the refugees. The whole Miss Waterlow said that in a minute which you had prepared you mentioned matching contributions she wonders if the "matching" applies to the whole £14m or only the second part of it which is £750,000. t 14 m much be heateled Is the suggested figure of £11m. to apply for the Financial Year 1950/51 or is it to cover the whole relief period which actually goes up to June, 1951. relif 8/12/49



WITH THE COMPLIMENTS

OF THE UNDER-SECRETARY OF STATE

FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to: - 3/1

Foreign Office,

Min Church 124
IFES
pa.

En clair.

POLITICAL DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE. (United Kingdom Delegation to United Nations).

Sir A. Cadogan.

No. 2765.
30th November, 1949.
R. 7.35 a.m. 1st December, 1949.

Repeated to Amman,

Damascus Cairo, Jerusalem,

Bagdad, Beirut

Washington.

Beirut Jerusalem, B.M.E.O.(Cairo), Tel Aviv

And Saving to

Jedda,

Paris,

Addressed to Foreign Office telegram No. 2753 of 30th November, repeated for information to Amman, Bagdad, Beirut, B.M.E.O. (Cairo), Damascus, Cairo, Jerusalem, Tel Aviv and Saving to Jedda, Paris and Washington.

Palestine.

The Ad Hoc Political Committee started its discussion of the Arab refugee problem on 30th November.

- 2. Eban (Israel) made a factual correction of the Survey Mission report. The Israel representatives denied having told the Mission that Israel did not immediately need external assistance for finding work for refugees within its territory (see page 17 of the report), his government had always assumed that international financial assistance would be made available to all countries in proportion to their efforts and had stressed to the Survey Mission the relatively high costs of work in Israel arising from the general level of wages and cost of living.
- 3. De La Tournella (France) stressed the deplorable moral situation of the refugees which was a danger to the tranquillity of the Middle East, the membership of the Economic Survey Mission had been decided on the basis of financial contributions to relief of Arab refugees and geographical continuity to the Arab countries. His Government approved the report of the Survey Mission and had consequently joined in sponsoring the draft resolution.
- 4. Kural (Turkey) recalled the efforts of the Palestine conciliation Commission to give effect to the refugee provisions of the resolution of 11th December, 1948 which was still in effect and provided the only real solution of the problem. In

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- 2 -

of the problem. In the meantime there was a humanitarian need and his Government considered that the recommendations of the Survey Mission embodied in the draft resolution was the best way of meeting it.

- Cadogan (United Kingdom) expressed regret that the resolution of the 11th December, 1948 had remained unimplemented. Regarding refugees he appealed to Israel to take the positive steps required of it to comply with the elementary principles of justice and to the Arab States to seek a settlement of all outstanding issues since it was only within the framework of such a settlement that a final solution to the refugee problem could be found. Pending such a settlement further interim action regarding the refugees was necessary and his Government welcomed the report of the Economic Survey Mission, particularly its recommendation whereby a large proportion of the refugees could be placed in useful work, the draft resolution was a strictly practical one designed to give effect to the recommendations of the mission. It did not therefore deal with the question of repatriation and compensation it proposed that relief should cease on the 31st December, 1950 and the Governments concerned had both the obligation and ample opportunity to arrive at a settlement before that date which would put an end to the necessity for pure His delegation also supported the progressive reduction in the number of rations he did not wish to suggest that U.N.R.P.R. had been wrong in the wide interpretation which it had given to the term "refugees" but the time had now come to reconsider the expenditure of international funds with a view to making a more constructive use of them. It was possible that a reduction in the number of rations would add to the burden of some Arab States but the works programme which would result would be of permanent benefit to the economies of the countries concerned. He was sure that the Arab Governments would give their closest cooperation in carrying out this work.
- 6. Ross (United States) spoke on much the same lines and gave a resume of the recommendations of the Survey Mission, he said that his delegation appreciated the practical difficulties of reducing rations on the 1st January as recommended by the Survey Mission and that the draft resolution therefore proposed a reduction by progressive stages. He stated that the recommendations of the Survey Mission were fully in accord with United States ideas for the solution of many problems in the Middle East, if the resolution was approved by the General Assembly the executive branch of his Government would seek from Congress the authority and funds necessary to implement their

NEW YORK (UKDEL) TELEGRAM No. 2765 to FOREIGN OFFICE.

- 3 -

to implement their fair share of the programme.

- 7. Drohojowski (Poland) stressed the connexion of the refugee problem with the final establishment of peace in the Middle East, the former could not be solved without reference to its background the war between Israel and the Arabs had arisen out of the policies of the United Kingdom and at this stage especially of the United States. Nevertheless the United Nations could not disinterest itself from this problem; the resolution of the 11th December, 1948 laid down the right principles. Implicity in the resolution was the requirement that the return of refugees must not impair the safety of Israel and must take into account present economic difficulties in Israel. He was impressed with the urgent appeal of the Secretary General but general principles must not be lost sight of, the sponsors of the draft resolution wanted a permanent solution of the refugee problem without a settlement of general political questions. He urged the United Nations to put an end to the meddling of the imperialistic powers who had brought about the present situation and take measures to liquidate all outstanding problems.
- 8. Abdul Rahim (Egypt) described the deplorable plight of the refugees which was entirely due to Zionism. If further aid was not forthcoming a tragedy would take place, present relief was providing the absolute minimum and rations should be increased rather than decreased. The Arab states had contributed to United Nations relief for Palestine refugees six million out of thirty-two million dollars and if they were able they would have been glad to continue. The refugees were, however, an international responsibility since international action had largely created the problem. The Arab States were loath to ask for further relief and would have preferred to secure justice. He thanked the Survey Mission for its thorough and painstaking study and its understanding of the psychological situation of the refugees. His delegation was in the fullest agreement with the programme for public works and with the creation of an agency to carry them out. He noted, however, with deep regret the proposed drastic reduction in rations, there was no recent census of the Palestine Arabs on which to rely and the estimates of the number of refugees prepared by the Survey Mission could not stand in the face of the real figures supplied by the operating agencies. The latter had themselves warned against an arbitrary reduction and the matter should be left to their judgment. His delegation accordingly proposed that the figure of 33,700,000 dollars in paragraph 6 of the draft resolution should be raised to 40,900,000 . his delegation was also unable to agree to the termination of relief on the 31st December, 1950 which was based on false optimism. He also considered that paragraphs 5 and 7 of the draft resolution

NEW YORK (UKDEL) TELEGRAM NO. 2765 TO FOREIGN OFFICE.

- 4 -

the draft resolution should reaffirm the refugee provisions of the Assembly resolution of the 11th December, 1948 Beinoglou (Greece) said that his delegation gave full support to the findings of the Survey Mission and the draft resolution.

Please repeat Amman, Bagdad, Beirut, B.M.E.O. (Cairo) Damascus, Cairo, Jerusalem and Tel Aviv as my telegrams 69, 59, 65, 29, 53, 115 63 and 39 and Saving Jedda and Paris as my telegrams 51 and 234.

[Repeated as requested].

128 E14669 1831 31 Cypher/OTP DIPLOMATIC DISTRIBUTION FROM CAIRO TO FOREIGN OFFICE Sir R. Campbell No. 1308 D: 5.32 p.m. 7th December, 1949 7th December, 1949 R: 7.10 p.m. 7th December, 1949 Repeated to: Beirut Saving to: Bagdad Tel Aviv Washington Damascus Paris Jedda B.M.E.O. Amman (Cairo) PRIORITY CONFIDENTIAL Addressed to Foreign Office telegram No. 1308 of 7th December, repeated for information to Beirut, Washington and saving to Bagdad, Damascus, Jedda, Amman, Tel Aviv, Paris and British Middle East Office (Cairo). I have read with much interest Foreign Office telegram No. 974 to Beirut containing a message for Morton about the final report of the Economic Survey Mission. As far as Egypt is concerned I agree warmly with the line taken in that telegram, and with points made in Bagdad telegram No. 1038 to Foreign Office paragraphs 2 (last sentence) 3 (minus reference to the French, on which aspect I offer no opinion), 4 (first sentence) and 8. I think too, there is much danger for success in coupling long-term development with Palestine refugee relief. With reference to paragraph 7 of your telegram under reference, may I beg that consideration should be given to the recommendations in paragraphs 6-10 of my despatch No. 274 of May 16th last. Those recommendations contemplate what I still consider an important first step preliminary and [gp.unlec ? conducive] to any full and sincere utilisation by the Egyptian Government of the facilities and experts which British Middle East Office have to offer. Foreign Office please pass to Beirut and Washington as my telegrams 173 and 102 respectively. [Repeated to Beirut and Washington] GGGG

FIH. Clouch. escr Treasurd E14633/1017 31, CONFIDENTIAL

OF THE UNDER-SECRETARY OF STATE

FOR FOREIGN AFFAIRS

Reference:-

pa.

Copies also sent to :- BIT.

Foreign Office,

13th December 1949

Many Church 30 Cypher/OTP POLITICAL DISTRIBUTION FROM NEW YORK TO FOREIGN OFFICE. (From United Kingdom Delegation to United Nations) D. 11.40 p.m. 6th December 1949 Sir A. Cadogan No. 2841 R. 7.15 a.m. 7th December 1949 6th December 1949 Repeated to Washington Saving. CONFIDENTIAL. Addressed to Foreign Office telegram No. 2841 of 6th December repeated for information Saving to Washington. Your telegram No. 4356. The United States Delegation tell us that their Government does not wish for an American director because they feel that Americans are already occupying too many prominent positions in various technical bodies of the United Nations both within and without the Middle East. They say that there is very little hope of the State Department modifying its attitude. They still have no one in view for the post of director. vvv

Cypher/OTP Confidential

POLITICAL DISTRIBUTION

FROM FOREIGN OFFICE TO NEW YORK
(To United Kingdom Delegation to United Nations)

No.4356 D. 6.30 p.m. 5th December, 1949 5th December, 1949

Repeated to Washington No.11267.

CONFIDENTIAL

Addressed to New York (U.K.Delegation) telegram No.4356 of 5th December, repeated for information to Washington.

Your telegram No.2692 [of November 24th] paragraph 5, and Washington telegram No.5525 [of November 25th], paragraph 2. [Arab Relief].

Can you throw any light on the reasons why the State Department now think that a Director of nationality other than american would be preferable, particularly in view of the outstanding importance of the american contribution and of the precedents of Griffis as Director of U.N.R.P.R. and of Clapp as Chairman of the Survey Mission.

American, it would be preferable to appoint someone from the Commonwealth or from the Scandinavian countries rather than an Englishman, the only name we can at present suggest is that of Mr. Odd Nansen, the son of the great Norwegian explorer. We are asking Oslo to comment on his suitability (see my immediately following telegram). Meanwhile we see no objection to your mentioning his name to the United States Delegation.

Cypher/OTP E Confidential

POLITICAL DISTRIBUTION

FROM FOREIGN OFFICE TO OSLO

No. 752 5th December, 1949

D: 11.25 p.m. 5th December, 1949

Repeated to: New York (U.K.Del.) No. 4357

Washington No. 11268 Stockholm No. 603

CONFIDENTIAL

Addressed to Oslo telegram No. 752 of 5th December, repeated for information to United Kingdom Delegation New York, Washington and Stockholm.

The ad hoc Political Committee of the United Nations General Assembly has passed a resolution to establish a Near East Relief Works Agency for providing relief and short-term works projects for the Arab refugees. The Agency will be administered by a Director appointed by the Secretary General, and by an Advisory Commission composed of representatives of the United States, the United Kingdom, France and Turkey. The field work will be carried out by the middle East governments.

- 2. The State Department have consulted us informally about candidates for the post of Director and have suggested the appointment of a Scandinavian. It has occurred to us that Mr. Odd Nansen, the son of the great explorer, might be suitable. The Director's task is likely to be an extremely difficult one and the success of the whole operation may depend upon finding a man of outstanding personality and of administrative ability. We understand that Mr. Nansen possesses the former quality and that, although an architect by profession, he has had considerable experience of relief work.
- 3. Please telegraph (a) your comments on his suitability, and (b) whether, in your opinion, he would be likely to accept the post if offered to him. You should not, at this stage, mention the suggestion to him or to the Norwegian Government.

Mr. Cungh.

You apprinced my ventions only (vo well. (I tale it x | deals with (i) are writin) I am all forfund action stage to the even committee to a forguent of sum as emerged by the honight: certainly wer in my feel Whole Palestine. We still, no doubt, and a prefamile in western The Truns - Judan interest: Rue - That in herbed of Moute Pales time many well be sems almost mirrouble - heded (6 Offset remains due (51+100) from a successor authority.

2. If you consider an answer should 9015 to bright - your agreement - 15 en amount to proposal further - I should be

happy (Telrage. (The same of the total to team) 13- 11. and the war time المد فرلدك

Theasury 135
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WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference: - y.o. extres & 14678/1821/31.

Copies also sent to :-

Foreign Office,

OUTWARD TELEGRAM

Cypher/OTP Confidential

DEPARTMENTAL DISTRIBUTION

FROM FOREIGN OFFICE TO BAGDAD

No. 1302

9th December, 1949 D: 7.20 p.m. 9th December, 1949

Repeated to: Washington No. 11399

B.M.E.O. (Cairo) No. 1841

New York (U.K.Del.) No. 1509 Saving

IMMEDIATE CONFIDENTIAL

Addressed to Bagdad telegram No. 1302 of 9th December, repeated for information to Washington, British Middle East Office (Cairo) and saving to United Kingdom Delegation New York.

Please telegraph in time to reach Washington by December 12th any comments on suggestion that Major-General A.R. Selby might be appointed Director of Near East Relief and Works Agency. We understand he is an Australian in the British Army and was Chief Administrative Officer, Bagdad, at one time during the war.

[Copy sent to Middle East Secretariat]

GGGG

Cypher/OTP CONFIDENTIAL

DEPARTMENTAL DISTRIBUTION

FROM FOREIGN OFFICE TO BRITISH MIDDLE

EAST OFFICE (CAIRO)

Nc. 1842

9th December, 1949. D. 8.00 p.m. 9th December, 1949

Repeated to Washington No. 11400

U.K. Del. New York No.150 Saving

IMWEDIATE CONFIDENTIAL

Addressed to B.M.E.O. (Cairo) telegram No. 1842 of 9th December repeated for information to Washington and Saving to U.K. Del. New York.

Following personal for Sir J. Troutbeck.

We are discussing with the State Department candidates for appointment as Director of Near East Relief and Works Agency. We feel he should preferably not be of the nationality of any of the four Survey Mission powers. We have tentatively suggested Mr. Nansen, son of the Norwegian explorer. Can you make any further suggestions to reach Washington by December 12th?

- 2. Commander Jackson's name has been put forward but as he is now a United Kingdom civil servant he does not appear suitable on grounds of paragraph 1 above.
- 3. His Majesty's Embassy Washington have mentioned the name of Major-General A.R. Selby, an Australian in the British Army, who was at one time Chief Administrative Officer in Bagdad. Have you any comments on this suggestion? We are also asking Bagdad.
- 4. We are also considering urgently appointment of British member of the Advisory Commission. It seems to us that if the work did not interfere too greatly with your other commitments and if the Commission was based on Cairo and did not have to move about too much and on the assumption that members of the Commission are directly nominated by governments and in no way servants of the

/United Nations.

CONFIDENTIAL

Foreign Office telegram No. 1842 to B.M.E.O. (Cairo)

2.

United Nations, most satisfactory arrangement would be for you to be His Majesty's Government's nominee. Please telegraph your views.

5. If the above conditions cannot be fulfilled, we would probably consider appointing Sir D. Morton. But please do not (repeat not) mention this to him for the time being.

[Copy sent to M.E. Secretariat].

Cypher/OFF
E
Confidential

DEATH ATL ST TABULION

FROM FOR JGE CANTON TO ... SHILGEON

10. 11401 D. 12.30 p.m. 10th December, 1949.

Repeated to United Ringdom Delegation New York No. 4419

CONFID LITAL

Addressed to Mashington telegram No. 11401 of 9th December, repeated for information to United Kingdom Delegation New York.

Your telegram No. 5722 [of December 8: Palestine refugees].

- nationality other than those of the Survey Mission powers. On this basis we do not feel able to sursue the suggestion that Commander Jackson should be appointed as Director. Though Australian by origin he is now a United Lingdom Civil Servant and is in general closely associated with the United Kingdom.
- 2. We hope to let you have views shortly on General Selby, though he would to some extent suffer from the same disadvantage.
- tentative views are that if the work could be satisfactorily combined with his present duties and on the assumption that members of the advisory Commission are direct nominees of governments and not in any way servants of the United hations, Sir J. Troutbeck would be the most suitable appointment. If, however, the work is such that it could not be combined with Bir J. Troutbeck's present duties either because it would take up too much of his time or because he would have to move about too much, we would then consider appointing Sir D. Forton. You could mention these ideas to the State Department in strict confidence emphasising that we have not yet got the reactions of either of the two candidates mentioned. To should be glad of the State Department's early views on the character of the work of the Advisory Commission so as to decide whether Sir J. Troutbeck could take it on. It may be that a final decision on this point cannot be taken until the Director is appointed and it can be discussed with him.

[Copy sent to Middle Bast Secretariat].

Theasury 1.40

E14714 1821 31

CONFIDENTIAL

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference:-

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Copies also sent to: - 3 [... CEPS

Foreign Office,

12 De conhes 1949

Morselwich 141.

UNITED NATIONS DIST IBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Lington Delegation to United Fations)

Sir A. Cadogan

D. 3. 44 p.m. 8th December, 1949.

No: 866

R. 9. 42 p.m. 8th December, 1949.

8th December, 1949.

Repeated to Amman, Tel Aviv,
Bagdad, Mashington,
Beirut, Jerusalem,
Cairo, Jedda,
Damascus, Paris.

B.M.E.O. (Cairo).

PRIORITY

En clair

Addressed to Foreign Office telegram 10. 2866 of 8th December, repeated for information to Amman, Bagdad, Beirut, Cairo, Damascus, B.M.E.O. (Cairo), Tel Aviv, Washington, Jerusalem, Jedda and Paris.

Arab refugees.

The General Assembly adopted the resolution contained in my telegram No. 2791 this morning without discussion by 47 votes to none (repeat none) against with six abstentions.

- 2. The last part of paragraph 21 beginning "With particular reference to paragraph 11" should be placed at the end of paragraph 20 and not (repeat not) as in my telegram No. 2791.
- 3. The Assembly will start its discussion on Jerusalem tomorrow.

Please repeat to Amman, Bagdad, Beirut, Cairo, Damasous, B.M.E.O. (Cairo), Tel Aviv, Jerusalem, Jedda and Paris as my telegrams Nos. 79, 68, 76, 123, 60, 301, 50, 74, 30 and 230 respectively.

[Repeated to posts named].

E|4678|1821|31 Cypher/OTP

POLITICAL DISTRIBUTION

FROM WASHINGTON TO FOREIGN OFFICE

Sir O. Franks

No. 5722 8th December, 1949 D. 6.17 p.m. 8th December, 1949 R. 12.38 a.m. 9th December, 1949

offi bedember, 1949 R. 12.00 a.m. 9th bedomber, 19

Repeated to New York (U.K. Delegation) Saving

IMMEDIATE CONFIDENTIAL

Addressed to Foreign Office telegram No. 5722 of 8th December, repeated for information Saving to United Kingdom Delegation New York.

My telegram No. 5525 paragraph 2, United Nations Relief and Works Agency for Palestine refugees.

State Department has invited us to discuss on December 12th names for the Directorship of the above Agency.

- 2. Nansen's name (your telegram No. 4356 to United Kingdom Delegation New York refers) has already been passed on to the State Department who in turn again mentioned the name Commander Jackson. We should be grateful if you could let us know the names of any further candidates that you wish to put forward.
- 3. It occurred to us that Major-General A. R. Selby who is an Australian in the British Army and was Chief Administrative Officer in Bagdad at one time during the war might be a suitable choice. Or possibly some former Sudan Government official might be suitable if you decide to put forward a British candidate.
- 4. Can you also at this stage say who will be the British member of the Advisory Commission. The State Department are intending to nominate a high ranking person who if drawn from the Foreign Service will be of ambassadorial status.

614676 1821 31 Cypher/OTP

POLITICAL DISTRIBUTION

FROM NEW YORK TO FOREIGN OFFICE

(United Kingdom Delegation to United Nations)

Sir A Cadogan

No. 2855

D. 4.18 a.m. 8th December, 1949.

7th December, 1949. R. 6.42 a.m. 8th December, 1949.

Repeated Saving to Washington

CONFIDENTIAL

Addressed to Foreign Office telegram No. 2855 of 7th December, repeated for information Saving to Washington.

My telegram No. 2841. Arab Refugee Agency.

Tragi delegate has told us that after learning from the United States delegation that United States were not in favour of an American director the Arab delegates in an informal discussion agreed to Iraqi suggestion that General Sir Edward Spears would be most acceptable candidate.

E. 14812 | 1821 | 31. Mischarch

SELNET

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference :-

Copies also sent to :- BIT.

Foreign Office,

E14812 |1831/31.

Cypher/OTP

DEPARTMENTAL DISTRIBUTION

FROM BRITISH MIDDLE MAST OFFICE (CAIRO) TO FOREIGN OFFICE

Sir J. Troutbeck.

No. 522. D. 11.16. R. 11.36.

D. 11.16. a.m. 12th December, 1949. R. 11.36. a.m. 12th December, 1949.

Repeated to Washington (IMEDIATE)
U.K. Delegation, New York, Saving.

IMMEDIATE

CONFIDENTIAL

Addressed to Foreign Office telegram No. 522 of 12th December, repeated for information to Washington and Saving to United Kingdom Delegation, New York.

My telegram No. 520. Near East Relief and Works Agency.

In recording Sir D. Morton's remarks I fear I made one mistake. He does not (repeat not) wish the Director of the Agency to be chairman of the Advisory Commission. His ideas are recorded fully in my telegram No. 521.

Foreign Office pass IIMEDITE to Washington and Saving to United Kingdom Delegation New York as my telegrams Nos. 51 and 16 Saving.

[Repeated to Washington and Saving to U.K. Delegation New York].

[Copy sent to Middle East Secretariat].

mmmm

E14802 1831 31 Cypher/OTP POLITICAL DISTRIBUTION FROM OSLO TO FOREIGN OFFICE Sir L. Collier No. 465 D. 11.12 a.m. 10th December, 1949 10th December, 1949 R. 11.45 a.m. 10th December, 1949 Repeated to Stockholm, ashington and U.K. Del. New York CONFIDENTIAL Addressed to Foreign Office telegram No. 465 of 10th December, repeated for information to Stockholm, Washington and U.K. Del. New York. Your telegram No. 752. Odd Nansen. Nansen is a man of great courage, energy and enthusiasm and of considerable administrative experience having been a founder and director of Nasjonalhjelpen fund for Norwegian war victims and having worked for several other humanitarian organisations. He is somewhat impulsive and through a thoughtless action involved himself last year in an affair which caused him to resign and to declare that he would hold no more public positions, but he is still working for displaced persons and refugees and has probably as great a knowledge of relief problems as anyone in Europe. Whether Nansen would accept the post in question may be doubtful in view of his statement reported above, but an appeal to his idealism might move him. He is not personally ambitious but is a genuine humanitarian and also likes to get things done. If he accepts, however, he is likely to ask for a pretty free hand and not to pay much attention in practice to any limiting conditions which may be imposed upon him even if he accepts these at the beginning. Foreign Office please pass to U.K. Del. New York and Washington Immediate as my telegrams 8 and 36 respectively. [Repeated to U.K. Del. New York and Washington]. 0:0

@14760 1831 31

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on]

Cypher/OTP POLITICAL DISTRIBUTION

FROM BEIRUT TO FOREIGN OFFICE

Sir W. Houstoun Boswall

No.815 D.10.57 a.m. 9th December, 1949

9th December, 1949 R.11.55 a.m. 9th December, 1949

Repeated to B.M.E.O. (Cairo)

Washington

Damascus

Bagdad

Amman

Tel Aviv

Jerusalem

Cairo

Saving to Paris

Jedda

Angora.

SECRET

Addressed to Foreign Office telegram No.815 of 9th December, repeated for information to B.M.E.O. (Cairo), Washington, Damascus, Bagdad, Amman, Tel Aviv, Jerusalem, Cairo and Saving to Paris, Jedda and Angora.

Following from Morton.

When Clapp and I paid an official visit of farewell on December 7th to the Lebanese Minister for Foreign Affairs the latter after congratulating us on the interim report of the Economic Mission said that he wished to make certain observations upon his own responsibility without committing his Government or any other Arab State. They were to be addressed primarily to Clapp who might care to pass them on in Washington.

- 2. The Minister for Foreign Affairs' view was that the United States rather than the United Kingdom was responsible for creation of the thing now called Israel whence the responsibility for liquidating the present political impasse must devolve upon the United States.
- 3. Israel was a fact but whereas the Arabs must realise this and forget dreams there was no justification for allowing

SECRET

Beirut telegram No.815 to F.O.

- 2 -

for allowing Israel to become a larger and more obnoxious fact than at present.

- 4. The Arabs recognised that they lost a war and must take the legitimate consequences but that could not be an excuse for the United States or the United Nations extracting from the Arabs more than they had lost through their own fault.
- 5. The United Nations had resolved that the Jews should pay compensation for lands and goods got from Arabs innocent of active hostilities. The United Nations had also resolved that Arabs fulfilling certain conditions should be allowed to return to Palestine.
- 6. The time had come to put an end to the fiction that refugees would not be willing to settle elsewhere if there was somewhere to settle them and if they received compensation and to the other fiction that refugees could return to Palestine.
- 7. The Lebanon, Syria, Jordan and Israel were ready to make peace. Iraq and Egypt who stood to gain nothing by it opposed the peace. Iraq and Egypt were each hoping to pose as the political champion of the, or an, Arab League.
- 8. These factors should all be regarded at one and the same time and it was his personal suggestion that plenipotentiary delegates of all arab states and Israel should meet with an American mediator who would negotiate with each plenipotentiary separately or collectively as policy might decide.
- 9. On any point of agreement reached between one or more Arab representatives on the one hand and the Jewish representative on the other the mediator should affirm the point of agreement and declare his country's determination firstly to understand both sides' capacity to implementation on that point and secondly to publicise the point as and when he considered it desirable.



Beirut telegram No.815 to F.O.

- 3 -

- 10. This was Bernadotte's method. He nearly succeeded and so got shot. Therefore let the proposed Conference take place somewhere where the United States could preserve the safety of their own man which would not necessarily mean Washington.
- 11. Clapp thanked the Minister for Foreign Affairs prettily. I interpreted in French.

Foreign Office pass Washington No. 54, Tel Aviv No. 54 and Saving to Paris No. 59 and Angora No. 26.

[Repeated to Washington and Tel Aviv and Saving to Paris and Angora].

kkk

E 14758 1821 31, Cypher/OTP

DEPARTMENTAL DISTRIBUTION

FROM BRITISH MIDDLE EAST OFFICE (CAIRO) TO FOREIGN OFFICE.

No. 520

D. 7.33 p.m. 10th December 1949 R. 8.24 p.m. 10th December 1949

10th December 1949

Repeated to: Washington

And Saving to: U. K. Del. New York.

IMMEDIATE.

CONFIDENTIAL.

Addressed to Foreign Office telegram No. 520 of 10th December repeated for information to Washington and Saving to U. K. Del, New York.

Your telegram No. 1842: Near East Relief and Works Agency.

In the course of a long conversation yesterday
Sir Desmond Morton discoursed to me on the precise
duties and relationship of the Director of Nerwa and
the Advisory Commission. He said the position was not
made clear in the Assembly resolution 8 (of which I
myself have not yet received a copy) nor was he aware
of your attitude to the question. In his view the
only arrangement which might be expected to work would
be to regard Nerwa as a sort of limited liability company
in which the "Director" would be Chairman of the Board
and General Manager, and the Advisory Commission would
constitute the remaining members of the Board. He
felt it essential that the direction of policy in Nerwa
must lie with the Advisory Commission whose members would
be responsible to their Government and not with the
Director, who would be responsible to United Nations.
Under his conception the members of the Advisory
Commission would have to be personalities strong enough
not to be dominated by the Director, and the Director
would have to be a type of man who, without being a
rubber stamp, would be prepared to work in with the
arrangement proposed.

2. Morton's ideas struck Ur Grewford and myself as

2. Morton's ideas struck Mr. Crawford and myself as generally sensible, but clearly the choice of a Director must largely depend on the position we feel he ought to have in the organisation. I fear I have no names to offer and know nothing of General Selby but I suggest that the Director should in any case be man with administrative experence, if possible in public works, e.g. the Managing Director of a railway or contracting firm. Incidentally a further objection to Commander Jackson (who in many ways would be an admirable choice) is his

old connexion with

CONFIDENTIAL.

B.M.E.O. (Cairo) telegram No. 520 to F.O.

2.

old connexion with the M.E.S.C., which has for no fault of its own, left unhappy memories among Arab States.

3. As regards British membership of the Advisory Commission, I feel a little reluctant to take on the job myself, as even if Nerwa were based in Cairo, it would inevitably absorb a great deal of time especially in the initial stages. We are very hard pressed here at present. Mr. Wall will not be back till the middle of February and Mr. Maitland (who is sick and likely to be out of action for some weeks) hopes to go on long leave in April. Apart from that I should have thought that administrative rather than diplomatic experience is desirable. A name that occurs to me is Sir Hugh Dow. Mr. Crawford would also fill the bill admirably, and might in any case be an understudy. I am frankly a little doubtful whether Sir D. Morton has the right type of experience.

Foreign Office pass to Washington and Saving to U. K. Del. New York as my telegrams Nos. 49 and 15 Saving respectively.

[Repeated to Washington and Saving to U.K.Del. New York].

[Copy sent to Middle Mast Secretariat].

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= 14676 | 1821 | 31 00m DINFIDENTL

> WITH THE COMPLIMENTS OF THE UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS

Reference: - 4.0. Cettes a 14676/1831/31

Dec 12

Copies also sent to :-

Foreign Office, December 1949 Cypher/OTP Confidential

DEPARTMENTAL DISTRIBUTION

FROM FOREIGN OFFICE TO WASHINGTON

No. 11402 D. 9.20 p.m. 9th December, 1949 9th December, 1949

Repeated to New York (U.K. Delegation) No. 4420 Bagdad No. 375 Saving B.M.E.O. (Cairo) No. 1032 Saving

CONFIDENTIAL

Addressed to Washington telegram No. 11402 of 9th December, repeated for information to United Kingdom Delegation New York and Saving to Bagdad and British Middle East Office (Cairo).

United Kingdom Delegation New York telegram No. 2855 [of December 7th: Arab refugee agency].

Person named would be entirely unacceptable, repeat unacceptable, to us as Director.

[Copy sent to Middle East Secretariat]

A. H. Clough. Esg Theasury 153 E14839 1821 31. SECRET

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference:-

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Copies also sent to: - 3 T. CEPS.

Foreign Office,

Miss Church

E14939 1831 Cypher/OTP

DEPARTMENTAL DISTRIBUTION

FROM BRITISH MIDDLE EAST OFFICE (CAIRO) TO

FOREIGN OFFICE

Sir J. Troutbeck

No. 524

D. 10.20 a.m. 13th December, 1949.

13th December, 1949. R. 11.00 a.m. 13th December, 1949.

IMMEDIATE CONFIDENTIAL

Your telegram No. 1842: Near East Relief Agency.

Mr. John Hamilton served on the same staff as General Selby in Iraq during the war. He remembers him as an able and forceful administrator with a reputation for being a hard driver. He might possibly be impatient of control and inefficiency. He was in charge of administration in Paiforce in 1941-42 and Field Marshal Lord Wilson would know all about him.

E14815 1821 31

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on]

Cypher/OTP

DIPLOMATIC DISTRIBUTION

FROM BRITISH MIDDLE EAST OFFICE (CAIRO) TO FOREIGN OFFICE

Sir J. Troutbeck

No. 521 D. 1.15 p.m. 12th December, 1949 12th December, 1949 R. 2.00 p.m. 12th December, 1949

Repeated to: Beirut

Damascus Bagdad Amman Tel Aviv Angora Paris Washington

New York (U.K. Delegation)

(All Saving) Jedda

Jerusalem

IMMEDIATE SECRET

Addressed to Foreign Office telegram No. 521 of
12th December, repeated for information to Beirut, Damascus,
Bagdad, Amman, Tel Aviv, Angora, Paris, Washington, United
Kingdom Delegation New York and Saving to Jedda and Jerusalem.

Following from Morton.

Clapp has received no hint from Washington as to how the State Department envisage carrying out in practice the resolution of the United Nations which implements the Economic Mission's report. He has however telegraphed Washington urging the State Department to consider doing so along certain lines upon which he and his three colleagues feel convinced the new Agency for relief and work for Palestine refugees must operate if it is to succeed.

- 2. In our opinion it is essential that the Advisory Commission should resemble the board of directors of a corporation, while the Director of the Agency appointed by the Secretary-General of United Nations should resemble the general manager of the corporation. The Advisory Commission will lay down the policy which the Director of the Agency will carry out. There must be no question of the Director being even a member of the Advisory Commission and still less its chairman.
- 3. Agreements with the Governments of Middle East countries would be negotiated by the Director who would act as the ambassador of the Advisory Commission, obtaining his instructions from them and their approval of the text of any agreement before signing.

SECRET

B.M.E.O. (CAIRO) TELEGRAM NO. 521 TO FOREIGN OFFICE

- 2 -

- A. Whereas it might not (repeat not) prove necessary for all members of the Advisory Commission to reside permanently in the Middle East, it would seem essential for them all to be there temporarily during the first few months while agreements are being negotiated with Middle Eastern Governments and while the hand-over from U.N.R.P.R. is taking place and until the Advisory Commission is satisfied that the Director understands his job and that the new Agency has started to work with reasonable smoothness. It might be deemed necessary for one member of the Advisory Commission to be in permanent residence in the Middle East all the time but that could be settled later.
- of the Advisory Commission, each member should be given a sufficiently high personal status by his Government. Satisfactory working of the new Agency will depend primarily upon the selection by the State Department of a United States representative with the necessary standing, character, ability and knowledge and drive. Next in importance is the selection by the United Kingdom, France and Turkey of equally good men and last but not least the character, ability and personality of the Director who should not (repeat not) be anyone previously connected with United Nations Secretariat. This curious organisation may conceal among its members someone with the necessary character, honesty and ability but his position vis à vis Trygve Lie and his United Nations colleagues will probably become difficult if he serves the new Agency faithfully. Hence he will suffer severely in his future career upon his return to the true United Nations fold after the new Agency is ended. In addition he would probably find it impossible to escape from the dead hand of the United Nations Secretariat during his work as Director of the new Agency.

Foreign Office pass to Beirut, Damascus, Bagdad, Amman, Tel Aviv, Angora, Paris, Washington and United Kingdom Delegation New York as my telegrams 128, 71, 146, 76, 26, 7, 7, 50 and 35 respectively.

[Repeated to posts as requested]

OF THE UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS Reference:-Copies also sent to :-Foreign Office, Decolid 1949 8B (16)37430



1167

United Kingdom Permanent Delegation,

Villa La Fenêtre,

Route de Pregny,

Geneva.

2nd December, 1949.

Express airmail.

RESTRICTED.

Geneva 28000, Ext. 2949 & 2948.

Telegrams: Prodrome Geneva.

Telephone: Geneva 21486-85-84.

103/157/49.

Der Charlowe,

Thank you for your letter of November 28th about Arab refugee developments (E 13956/1821/31) which I have just seen and dealt with.

Parminter is still at Lake Success and is not expected back until the middle of this month. Accordingly I saw the Finance Officer, Mr. Brown, and asked him for his comments on the questions you raised. On the principal question, namely the Survey Mission's recommendation about the reduction of rations, he was quite categorical. He said that he had not received a copy of the Survey Mission's report and that he was surprised to hear that there was any question of an early reduction of about 300,000 in the number of rations issued. The UNRPR for their part were pursuing, and would continue to pursue until the end of their term, a policy of reducing rations gradually. The total had already been reduced to about 900,000 and this process would go on steadily. The UNRPR funds - and my surmise that they had been well administered was strongly confirmed by my interview with Mr. Brown - would now carry the work on into the new year. Mr. Brown was confident that the entire United States contribution would now be matched by one means or another and there were working funds with the three agencies as well as in UNRPR's various accounts.

It remained to be seen what the Secretary-General or the Assembly would decide in regard to financing the continued work of UNRPR in the first quarter of 1950. According to Mr. Brown the two most likely possibilities were an advance from the working capital fund or a loan from IRO.

One other point of interest which emerged in our conversation was that Mr. Brown was surprised to hear that the Survey Mission's report had recommended turning over responsibility for the distribution of relief from the voluntary societies to Middle East Governments. His comment on this was that it might be a pity from the humanitarian point of view but that it was likely to lead to an earlier solution of the problem. I quite see his point.

I am writing this letter by return of post in some haste since I think you may like to have the immediate comments of UNRPR. But I fear that owing to the absence of Parminter and the lack of a copy of the Clapp report I have not been able to answer exactly the question you asked me in your letter. I should be grateful if you would have me sent two copies of the Clapp report and I will take an early opportunity of discussing it with Parminter on his return.

Incidentally I was rather impressed by Mr. Brown and his grasp of UNRPR's finances. He seemed to me a very good and friendly type of American (he was educated in Belfast) and I think his continued association with this relief work, if it is to be earried on by some other agency under the United Nations, would be an excellent thing from our point of view.

Miss C. Waterlow, Middle East Secretariat, Foreign Office S.W. 1. Yours ever Being (J.G. S. Beith)

Beng Sur

E 14990/1821/31.

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to :- 8/1

Foreign Office,

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En clair.

DEPARTMENTAL DISTRIBUTION.

FROM PARIS TO FOREIGN OFFICE.

Sir 0. Harvey.
No.1340.

D. 1.20 p.m. 16th December, 1949.

R. 12.15 p.m. 16th December 1949.

16th December, 1949.

PRIORITY

Your tel gram No. 3380 to Rome.

Following for Wright from Morton.

Proposed arrangements will suit admirably. Meeting at Foreign Office would be 10.30 a.m.

- 2. Clapp will be staying at Hyde Park Hotel under arrangements made by United Nations. We shall fly over in United Nations aircraft arriving some time afternoon December 19th.
- 3. It would be graceful if you could include in luncheon party Mr. Van Court Hare, of Chief Engineer's office T.V.A. and Mr. William Sands, First Secretary at State Department who have been members of Mission and will be accompanying Clapp.
- 4. Can you very kindly inform my personal assistant at the Treasury, Miss Gwynne, that I hope to arrive London afternoon December 19th.

[Advance copy sent to Mr. Mright. Copy sent to Middle East Secretariat]

E14678 | 1831 | 31

A. H. Glorgh Reg.
Treasust 163

CONFIDENTIAL

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE
FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to :- ST,

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Foreign Office,

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37430 (16)

OUTWARD TELEGRAM . Cypher/OTP Confidential DEPARTMENTAL DISTRIBUTION FROM FOREIGN OFFICE TO TANGIER 14th December, 1949. D.8.23 p.m. 14th December, 1949. Repeated to Washington No.11519 New York No.4466 Brussels No.1229 PRIORITY CONFIDENTIAL Addressed to Tangier telegram No.50 of 14th December, repeated for information to Washington, New York and Brussels. The United Nations General Assembly has passed a resolution to establish a Near East Relief Works Agency for providing relief and short-term works projects for the Arab refugees. The Agency will be administered by a Director appointed by the Secretary General, and by an Advisory Commission composed of representatives of the United States, the United Kingdom, France and Turkey. The field work will be carried out by the Middle East Governments. 2. We are now in consultation with the State Department about candidates for the post of Director and they have suggested, among others, M. Francois Cracco, the Deputy Administrator of the Tangier International Administration (No.5 in your 1948 Personalities Report). The Director's task is likely to be an extremely difficult one and the success of the whole operation may depend upon finding a man of outstanding personality and administrative ability. 3. Please telegraph (a) your comments on his suitability, and (b) whether, in your opinion, he would be likely to accept the post if offered to him. You should not, at this stage, mention the suggestion to him. [Copy sent to Middle East Secretariat]. BBB

EISONS | 1831 | DEP'RTMENTAL DISTRIBUTION

FROM WASHINGTON TO FOREIGN OFFICE

Sir O. Franks

No. 5871

D. 8.05 p.m. 19th December, 1949

19th December, 1949

Repeated to: UKDEL New York

PRIORITY

CONFIDENTIAL

Addressed to Foreign Office telegram No. 5871 of 19th December, repeated for information to U.K.Delegation New York.

My telegram No. 5778: Near East Relief and Works Agency.

State Department called a further meeting today to discuss the new Director of the Agency. Members of the French and Turkish Embassies were present. It is clear that the State Department are <u>not</u> satisfied with the names which have already been submitted with the exception of General MacNaughton who it is presumed is not available. They therefore propose that the Four Powers represented on the Survey Mission should request the Secretary General of the United Nations to invite the Canadian Government to suggest four names from whom a final selection could be made by the Survey Powers in conjunction with Mr. Lie.

- 2. As you are probably aware, Clapp has recommended Commander Jackson to the State Department who recognise his qualifications and seem to accept as eligible although he is now a United Kingdom civil servant. We said we could give no information on the availability of Jackson for the post and the French and Turkish representatives have now referred his name to their Governments.
- 3. Would you please say if you agree to the procedure proposed in paragraph 1, and whether Jackson's name may be put forward as a firm candidate in addition to any names submitted by the Canadians.

[Copy sent to Middle East Secretariat].

E15 096 | 1821 | 31.

A. H. Clough. Aser.

CONFIDENTIAL

WITH THE COMPLIMENTS
OF THE UNDER-SECRETARY OF STATE

FOR FOREIGN AFFAIRS

Reference :-

1. Sir D. Noyon 2 IF. C.S. IF. 21/13/66

Copies also sent to: - 3.0.T.

Foreign Office,

alor December 1949

E 15096/1821 31 Cypher/OTP DEPARTMENTAL DISTRIBUTION FROM NEW YORK TO FOREIGN OFFICE (From United Kingdom Delegation to the United Nations) D. 9.52 p.m. 19th December, 1949. Sir A. Cadogan No. 2956 R. 10.50 p.m. 19th December, 1949. 19th December, 1949. Repeated to Washington Saving. PRIORITY CONFIDENTIAL Addressed to Foreign Office telegram No. 2956 of 19th December, repeated for information Saving to Washington. Director of Near East Relief and Works Agency. Paragraph 2 (e) of Washington telegram 5778 to you. Following are only suggestions which United Nations Secretariat have. They are all Canadians and were given by Mr. Pearson who has not approached any of them. (A) Major General Weeks, 55 years old former Adjutant-General of Canadian Army. (B) Arthur Machamara, over 60, Deputy Minister of Labour. directed works relief in Manitoba during depression. (C) Major-General Howard Kennedy, age not known, Forestry expert at present serving on National Research Council. . 2. Secretariat's only comment on above is that experience of (B) is probably too limited. At an earlier stage Secretariat sounded possibility of getting George Davidson, Deputy Minister of Health and Welfare who is well known to and highly regarded by members of entire Economic and Social Council (E.C.O.S.O.C.) delegations. They were told that he was not available but they would still press hard for him if a Canadian director seemed a possibility. We understand that Secretary General would eventually like to be given a list of a few proposed candidates rather than be presented with one name and have no choice in final nomination. [Copy sent to Milale East Secretariat]. ZZZZ

W. tuid Rothista

15/21/13/06

Mr. Clough.

I have by chance seen Sir A. Cadogan's telegram No. 2977 dated 23 December, 1949, to F.O., which says that Mr. Martin Hill has informed him that "failing any suitable candidate from elsewhere" as Director of the new Middle East Works and Relief Agency, "Mr. Dillon Meyer would be most acceptable".

I have at once telephoned to Mr. Geoffrey Furlong and to Mr. Trevor Evans to say that I cannot imagine a more unsuitable and disastrous candidate. If he is appointed, the U.N. might just as well throw their money into the sea.

Mr. Dillon Meyer, a U.S. citizen of about 62, Ba is loosely attached to the State Department, who never know what to do with him. He made a great but false reputation during the last war organising Japanese concentration camps in the U.S.A. Other people did the job. He is a professional Chairman of Charities with a head far softer than his heart. He is politically ignorant and at the same time grossly obstinate.

Why I know so much about him is that the State Department sent Mr. Dillon Meyer out to the Survey Mission without our request. His report to us on the Arab refugees was so ridiculous, erroneous and generally bad, that the E.S.M. refused to accept it and sent him home to the U.S.A. He is a great friend of Mr. Trygvie Lie. Incommending, all we Arabs believe him him a few features of his hame. Actually he is Mr.

I have suggested that if the F.O. doubt my accuracy, immediate reference should be made to Mr. Gordon Clapp. I have no hesitation in saying that if Mr. Dillon Meyer was appointed Director of the new Agency, Mr. Clapp would carry out his threat to appear before Congress and denounce the whole business. Incidentally, the telegram in which I informed the S. of S. of Mr. Clapp's message to the President regarding the inefficiency of the U.N. Secretariat, and his threat to denounce it before Congress if it had any power in the new Agency for the Middle East, is not in the Treasury file.

In this general connection, I wonder whether I could be allowed to see early, any telegrams sent by the F.O. to the Treasury regarding proposals for the formation of the Middle East Relief and Works Agency, and relevant matters?

The papers concerned, including the papers referred to are with Mr. Field Robinson, to whom I am sending a copy of this note for insertion in IF. 21/13/06.

December 29, 1949.

(Sd.) DESMOND MORTON

Cypher/OTP.

DEPARTMENTAL DISTRIBUTION.

FROM NEW YORK TO FOREIGN OFFICE.

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan. D. 7.10 p.m. 23rd December, 1949.

No. 2977. R. 7.31 p.m. 23rd December, 1949.

23rd December, 1949. Repeated to Washington.

PRIORITY

CONFIDENTIAL.

Addressed to Foreign Office telegram No.2977 of 23rd December repeated for information to Washington.

My telegram 2956.

Near East Relief and Jorks Agency.

Secretary General is aware that State Department do not want a United States director but Martin Hill informs us that failing any suitable candidate from elsewhere Dillon Myer would be most acceptable.

- 2. Secretary General is concerned at delay in finding possible candidates as he thinks appointment should be made early in January.
 - 3. United States have been informed of above.

[Copy sent to Middle East Secretariat]

1

A. H. Clough, 12591 Treasury

E1526 1821 31

CONFIDENTIAL

WITH THE COMPLIMENTS

OF THE UNDER-SECRETARY OF STATE

FOR FOREIGN AFFAIRS

Reference:-

Copies also sent to :- 3 T

Foreign Office,

Mr frela Robinson Irsa Si D Modoly to see Cypher/OTP. DEPARTMENT L DISTRIBUTION. FROM 7 SHINGTON TO FOREIGN OFFICE. Sir O. Franks. No. 5942.

27th December, 1949.

R. 6.21 a.m. 27th December, 1949.

R. 6.21 a.m. 28th December, 1949. Repeated to New York (UKDEL). CONFIDENTIAL. Addressed to Foreign Office telegram No.5942 of 27th December, repeated for information to New York (United Kingdom Delegation). Your telegrams Nos. 11737 and 11738. Near East Relief and Works .gency. We learn that <u>Jackson</u>'s candidature is not (repeat not) agreeable to the French. We have therefore not (repeat not) put his name forward as a formal candidate. 2. State Department discussed the three individuals mentioned in United Kingdom Delegation New York's telegram No.2956 with members of the Canadian Embassy and ourselves today. As it appears that General McNaughton is not available we took the opportunity of pressing for Mr. Davidson and were supported by the State Department. The choice of Sir Desmond Morton as the British member of the Advisory Commission would be popular with the State Department. They have told us in confidence that they are endeavouring to secure as the American member Mr. John Blandford, a one time General Manager of the Tennessee Valley Authority, subsequently Administrator of the National Housing Agency and Deputy Director of E.C.A. in Greece. [Copy sent to Middle East Secretariat]. 666666

215095182131 WITH THE COMPLIMENTS

OF THE UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS

Reference: - 30 even 715095 1821 31.

Copies also sent to :- 3/1 CEPS.

Foreign Office, 29th Decembri 949

FROM FOREIGN OFFICE TO WASHINGTON

No. 11738 23rd December, 1949. D. 9.35 p.m. 23rd December, 1949.

Repeated to U.K.Del. New York No. 4529

PRIORITY CONFIDENTIAL

Addressed to Washington telegram No. 11738 of 23rd December, repeated for information to U.K.Del. New York.

My immediately preceding telegram and your telegram No. 5871 [of 19th December: Near-East Relief and Works Agency].

I agree to Jackson's name being canvassed, provided his candidature is agreeable to the United States, French and Turkish Governments. But it must be understood that there is no certainty that his Department could release him from his present work. Nor are his own views known. It should be also borne in mind that Jackson's work with the Middle East Supply Centre, which was not generally popular in the Middle East, might count against him with the Arab Governments. His difference with the Secretary General which led to the severing of his connexion with the United Nations might also prove an obstacle and Jackson himself might well have views about accepting a further appointment with the United Nations.

- 2. Now that the United Nations Secretariat have suggested four Canadian candidates (see United Kingdom Delegation New York telegram No. 2956) it will presumably be unnecessary to ask the Secretary General to invite the Canadian Government to put forward a list, as suggested by the State Department. Mr. Davidson would appear to be an outstanding candidate: little information is available here regarding the other three.
- 3. Apart from Jackson, our candidates will, therefore,

be:

/(i) General....

CONFIDENTL'.L

Foreign Office telegram No. 11738 to Washington

-2-

- (i) General McNaughton (if his services are not required in connexion with the Kashmir dispute);
 - (ii) Mr. Davidson:
- (iii) General Salby, whose Middle East experience and undoubted administrative competence would be valuable.

[Copy sent to Middle East Secretariat]

Cypher/OTP
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Confidential.

FROM FOREIGN OFFICE TO WASHINGTON.

No. 11737.
23rd December, 1949.

D: 9.45. p.m. 23rd December, 1949.

Repeated to United Kingdom Delegation New York No. 4528.

PRIORITY. CONFIDENTIAL.

Addressed to Washington telegram No. 11737 of 23rd December, repeated for information to United Kingdom Delegation New York.

Near-East Relief and Works Agency.

We have further considered the question of the duties of the Advisory Commission and in general agree with the State Department's views as expressed in your telegrams Nos. 5778 and 5819. As regards the relationship of the Director and the Advisory Commission, our view is that his position should be somewhere between that of a managing director and of a general manager in relation to the members of the board of a corporation. As the Director will not be a Government representative, we do not contemplate that he should be a member of the Advisory Commission. or have voting rights, although he would attend at the invitation of the Commission.

- 2. The selection of the American and British Representatives on the Advisory Commission will have a close bearing on the choice of the Director. We are proposing, subject to his own consent and that of his Department, to select Sir Desmond Morton for the post of United Kingdom Representative, provided the United States Government is ready to nominate an American Representative of similar rank and status. Please ascertain the views of the State Department.
- 3. Our views regarding candidates for the post of Director are given in my immediately following telegram.

[Copy sent to Middle East Secretariat].

G.R.

MR. CLOUGH

I hear that the Foreign Office are being a bit cagey about nominating Sir Desmond Morton for the Arab refugee jobs. There are, as I understand it, two jobs: one, the Director of the new Organisation, and the other the U.K. representative. We do not, of course, mind from the Treasury point of view which of these jobs Sir Desmond Morton is nominated for provided they are of sufficient level to make it likely that he will accept.

What I am anxious about, however, is that the Foreign Office should not overlook the very substantial and domestic reasons why we would very much like Sir Desmond Morton to be given a job. I do not suggest that there is anything that you can do formally about this. I was talking to the young woman in the Foreign Office in the Middle East Secretariat who I think handles this business (Miss Waterlow) and I told her that we did feel strongly that Sir Desmond Morton should be run for something suitable. She is still harking on the Commander Jackson idea, which is nonsense. I suggested they might think of Sir William Strang with just about as much chance of success.

If anything comes your way, however, perhaps you would put in a supporting word for Sir Desmond Morton.

29th December, 1949.

MINUTE SHEET.

Mr. Clough.

I have by chance seen Sir A. Cadogan's telegram No. 2977 dated 23 December, 1949, to F.O., which says that Mr. Martin Hill has informed him that "failing any suitable candidate from elsewhere" as Director of the new Middle East Works and Relief Agency, "Mr. Dillon Mayer would be most acceptable".

I have at once telephoned to Mr. Geoffrey Furlong and to Mr. Trevor Evans to say that I cannot imagine a more unsuitable and disastrous candidate. If he is appointed, the U.N. might just as well throw their money into the sea.

Mr. Dillon Mayer, a U.S. citizen of about 62. He is loosely attached to the State Department, who never know what to do with him. He made a great but false reputation during the last war organising Japanese concentration camps in the U.S.A. Other people did the job. He is a professional Chairman of Charities with a head far softer than his heart. He is politically ignorant and at the same time grossly obstinate.

Why I know so much about him is that the State Department sent Mr. Dillon Meyer out to the Survey Mission without our request. His report to us on the Arab refugees was so ridiculous, erroneous and generally bad, that the E.S.M. refused to accept it and sent him home to the U.S.A. He is a great friend of Mr. Trygvie Lie. Inciduately, at the Arabs believe him to be a few house. Actually he is not.

I have suggested that if the F.O. doubt my accuracy, immediate reference should be made to Mr. Gordon Clapp. I have no hesitation in saying that if Mr. Dillon Meyer was appointed Director of the new Agency, Mr. Clapp would carry out his threat to appear before Congress and denounce the whole business. Incidentally, the telegram in which I informed the S. of S. of Mr. Clapp's message to the President regarding the inefficiency of the U.N. Secretariat, and his threat to denounce it before Congress if it had any power in the new Agency for the Middle East, is not in the Treasury file.

In this general connection, I wonder whether I could be allowed to see early any telegrams sent by the F.O. to the Treasury regarding proposals for the formation of the Middle East Relief and Works Agency, and relevant matters?

The papers concerned, including the papers referred to are with Mr. Field Robinson, to whom I am sending a copy of this note for insertion in IF.21/13/06.

December 29, 1949.

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December 30, 1949.

Dea Trefor,

Thank you so much for the three copies of the E.S.M's Interim Report.

No. 2977 of 23 December from U.K. Del. New York.

In the order of precedence of U.S. citizens suitable to be Director of the new U.N. Relief and Works Agency, I would place Mr. Dillon Mayer's name well below the 130 million mark; but I fully understand his being acceptable to that unspeakable character, Mr. T. Lie, with whom he is very friendly.

Mr. Dillon Mayer is a man of over 60, a hanger-on of the State Department though not a regular member thereof. He acquired a false reputation for dealing with refugees when he took nominal charge of the Japanese problem in the United States during the late war. Actually all the work was done for him and he was a complete figurehead, but he was a great friend of the late President Roosevelt. Mr. Mayer was sent by the State Department to the E.S.M. without their request and against their wishes to report to us about Palestine refugees, about which he previously knew nothing. He was given every facility and

acquired

acquired an immense staff of people like unto himself. His eventual report to us was demonstrably so ridiculous, erroneous and futile that the E.S.M., in formal session, refused to receive it and sent him home. He has spent much of his life in being Chairman of Charities and has accuired all those gentlemen's worst faults and none of their virtues. His head is even softer than his heart, which must mean something less palpable than Hydrogen Gas. He is politically blind and incredibly obstinate. He believes any story told him by a crook so long as it fits in with his fixed views, and never hears anything which counters those views. Further, by reason of his name, all the Arabs thought he was a Jew, which is actually incorrect, but the Arabs were immoveable on the point, especially when they heard him talk, as he was fixedly pro-Jew, and wanted to recommend the expenditure of \$100 million at once on providing more direct relief for more people, mostly Jews.

Mr. Dillon Mayer was the only person over whom that very restrained Gordon Clapp nearly lost his temper, especially when Mr. Mayer told Clapp that he, Mayer, knew more about agriculture and irrigation than the whole of the T.V.A.

To sum up: he is absolutely impossible, and if you think I am exaggerating, pray obtain verbally or in writing Gordon Clapp's reactions. Should Mayer

or anybody like him have anything to do with the new Agency, you might just as well throw the money into the sea. When he left us to return to the U.S.A., he did so vowing vengeance. I suppose this is his first attempt.

The Mayer incident emboldens me to add a note on the control of British funds subscribed to or for the new Agency. I have now seen the Treasury file on that subject, and am sure that the following remarks are entirely in accordance with the Chancellor's views.

I urge strongly that whatever money be promised or earmarked for the new Agency from the U.K. - and if it can be similarly arranged regarding any money from the Dominions so much the better - not one penny should actually be paid out to the Secretary General, or even thereafter by the Director of the new Agency. without the explicit consent of the British representative on the Advisory Commission. This would not contravene the Resolution already passed by the Assembly, and is in fact an interpretation which could be placed upon the document you, Clough and I agreed upon in my room on Thursday, December 22. If only the U.S.A. would make a similar arrangement in regard to their money and their representative, the Advisory Commission would really have control of the policy of the new Agency.

Such....

Such a procedure would not waste time. If an actual payment was asked for by Lake Success, or proposed to be made over to the Secretary General, you would merely have to send a telegram to your representative if he was abroad, and he could reply by return. In another situation, your representative abroad would initiate the matter by telegraphing asking that a sum of so many £s out of the credit could be made available forthwith. If your representative was not abroad at the time, the matter would be even easier.

By this means you would have some control even over expenditure upon direct relief, in the event of your representative considering that too much was being spent without reason in this direction.

I will not add to the explanation of my idea, since it may already be your own. Alternatively, I feel sure you will see the benefit of such an arrangement.

Yours ever,

T. E. Evans, Esq., O.B.E. Middle East Secretariat, The Foreign Office, Downing Street.

(Sd.) DESMOND MORTON

m- W. Freigh Robinson Mr Griffeths to see De Clay Cough MINUTE SHEET. Reference 1883

Reference Washington telegram No. 5942 and F.O. telegrams Nos. 11737 and 11738 to Washington, returned with grateful thanks:

I know nothing about Mr. John Blandford or about Mr. Davidson, apparently now the fancied as U.S. Ambassador on the Advisory Commission, and Director (Canadian) for the U.N.R.K.W. Agency.

I have told the Foreign Office verbally, in polite but firm language, that they cannot count on my candidature for the British post on the Advisory Commission until

- a) We know for certain who is going to be the U.S. Ambassador and the Director;
- b) we know something about the above and can feel reasonably assured that they will consent to operate the U.N.R. &. W. in the manner intended by the Economic Survey Mission;
- c) I am offered acceptable terms to undertake the post. I fear these will have to include the local rank of Ambassador and pay for myself as Ambassador, with allowances based on what I now know living in hotels will cest in the Middle East, having done it and kept all the bills.
- d) It is agreed to provide me with a Private Secretary (female) who must be English, speak French and be prepared to do my shorthand typing and look after my papers. I should not want any other staff.
- e) (If I am to live in hotels) I must have a bedroom and sitting room, both paid for by H.M.G.
- f) I must have a permanent motor car and chauffeur at whatever place is decided upon for H.Q. of the Mission.

The F.O. unofficially seem to think I am extremely moderate in my demands.

December 31, 1949.

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The Clough It wie hop. I hope he my business but It wie hop. (+ 1. 16); but I bear that as that a an abunt implaceable Under Secretary in the an abunt implaceable Under Secretary in the Mones before it is hopeens to near him Audianado Home Service it is hopeens to near him Audianado Home Service it is hopeens to near limit Audianado Arans if that means more than (very temporary transport of most of most) dep Sec and and stones L. S. [OVER

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RELIEF FOR ARAB REFUGEES Minutes of a Meeting held at the Foreign Office on the 20th December. PRESENT: Mr. Michael Wright, Foreign Office (in the Chair) Mr. Gordon Clapp, Chairman, United Nations Economic Survey Mission. Sir Desmond Morton, Deputy Chairman, United Nations Economic Survey Mission Mr. Van Court Hare, member, United Nations Economic Survey Mission. Mr. J. Palmer, United States Embassy Mr. William Sands, United States Department. Mr. A.H. Clough, Treasury Mr. N. Young, Treasury Mr. J. Spicer, Central Economic Planning Staff, Treasury Mr. G. Furlonge, Foreign Office Mr. B. Boothby, Foreign Office Mr. R. Beaumont, Foreign Office Mr. J. Lambert, Foreign Office Mr. F. Brenchley, Foreign Office Mrs. J. Nasmyth, Foreign Office Mr. T.E. Evans, Foreign Office Miss C. Waterlow, Foreign Office Mr. Clapp gave the following account of the work of the Economic Survey Mission. In introduction he said that the Survey Mission had started its work in an extremely hostile and unfavourable atmosphere. For two weeks it had even been uncertain whether the Arab Government would agree to receive the Mission. In the end they were able to visit all the countries concerned and the experts attached to the Mission were able to make detailed investigations in all countries except Iraq. Interim Report Mr. Clapp said that the Interim Report included a proposal which provided a lead-in to the Final Report. It was proposed that the new Agency to be set up by the Assembly should work out agreements with the Arab Governments for the transfer to them of responsibility both for direct and works relief. The assumption of such responsibility by the Governments would then prepare them to undertake long-range economic development schemes in due course. Mission considered that it was of vital importance that responsibility should be shifted from the United Nations to the Arab Governments. Failure to do so would involve the indefinite continuation of relief and would deny to the Governments essential experience in tackling economic and social problems. Clapp then referred to the public works programme outlined in the Interim Report. He explained that it was intended that the projects involved should be ones which would add to the productive economies of the countries concerned and /fit

fit into their long-range economic plans. It was not, however, considered that the public works to be undertaken under this programme need be exclusively of this character. The Mission felt that the new agency must have latitude to work out the detailed programme and if they thought desirable to include certain works which could not be considered of long-term importance.

Final Report

Mr. Clapp then outlined the main points in the Final t. (This had just been completed and had been despatched Report. to the Palestine Conciliation Commission, who would presumably forward it to the Secretary-General for publication). The Report began by laying down the principle that it was undesirable to try to raise standards of living in backward areas by transferring to them the results of the productivity of more highly developed areas. The only sound policy was to stimulate and assist the inhabitants of the undeveloped areas to increase their own local productivity. Proceeding from this principle, the Report then analysed the relationship between water, land and people in the Middle East and pointed out that water was the key economic factor in the region. In the light of this analysis it was shown that Syria and Iraq were the countries where great possibilities for development existed and a large increase of population could be accommodated over a period of years. The development of Jordan, Arab Palestine and Israel would be limited for many years to come by the inadequacy of their water resources. In the Lebanon the resources of the Litani river had not yet been developed. The countries whose water supplies were limited would be obliged to turn to their neighbours for closer co-operation in the economic field. In Jordan where the standard of living was very low the small-scale development which was immediately possible could assist in raising it. In Israel, however, the standard of living was already very high and would not therefore be raised by further development.

The Report then described the obstacles to economic developments in the Middle East. A major difficulty was the provision of capital. Apart from lack of internal capital resources, there was the difficulty that local interest rates in the countries concerned were fantastically high, amounting sometimes to 30%. There was therefore no incentive for local capital to be invested in public development schemes which might pay, say, 2-3% interest. There was also the difficulty of attracting capital from external sources owing to adverse trade balances, exchange factors, etc. Even, however, if the capital requirements could be mobilised the major schemes for economic development in the area could not yet be started because the plans for them were not yet ready. No scheme had, for instance, yet been prepared for the development of the Jordan river system and its tributaries as a whole. The Hays scheme sponsored by the Israel Government was based on certain political assumptions and at most only 15% of this scheme could be carried out without international agreement between Israel and its three neighbouring states. It was, however, unrealistic to expect that such agreement could be reached on the complex subject of water rights when agreement on relatively simple

political questions was not yet forthcoming. A further obstacle was the lack of experienced technical personnel in the Arab countries concerned.

The Report then made certain proposals for the carrying out of pilot demonstration projects in Jordan (the Wadi Zerqa), Arab Palestine (the Wadi Qilt), Syria (the reclamation and development of the Ghab swamp in the Orontes valley) the Lebanon (the technical field investigation of the Litani river system, involving study of the geology of dam sites, projection of electricity loads, development of irrigation, etc.). These projects were recommended because they would not only be valuable in themselves but would serve as a demonstration to the Arab Governments of the methods of economic development and illustrate the kind of technical investigations required before applications should be made for external loans. They would also be of importance from the point of view of social development, and they would be of relatively small cost. In this connexion, Mr. Clapp said that the Mission considered that it was beyond the capacity of the Middle East countries, at present, to handle grants or loans on any large scale.

The Report concluded by recommending that the Advisory Commission of the Near East Relief and Works Agency should be a strong body with authority closely to supervise the emergency workers programme and to ensure that this was directed to the fullest possible extent towards long-term development. It was recommended that a fund of \$10 million should be made available to the Advisory Commission (as distinct from the Director) of NERWA for expenditure on technical assistance, pilot projects, etc.

Sir Desmond Morton said that he had only one point which he wished to add to Mr. Clapp's statement. The main link between the Interim and the Final Reports lay in the fact that the existence of the refugee problem merely accentuated an already existing profound economic problem. The great majority of the refugees were agricultural workers. The basic problem in the Middle East area was the existence of unemployment among agricultural workers because land was not available for them to cultivate. Development of water resources and reform of land tenure were therefore the fundamental requirements of the area.

Mr. Wright said that His Majesty's Government had for some time, and particularly since the end of the war, been giving much thought to the problems of economic development in the Middle East. They considered that the action which they should take lay in two directions. Firstly, the continual exercise of pressure and influence on the Middle East Governments to introduce social reforms; and secondly, the development of water resources as outlined by Mr. Clapp. In this development we had concentrated our attention on the Nile Valley, Persia, the Tigris and Euphrates valley, the Jordan valley and the Syrian highlands. In the case of all these areas, he agreed fully with Mr. Clapp on the vital importance of ensuring that the works involved were undertaken by the Middle East Governments themselves. Plans for the development of the Nile Valley and of Persia fell outside the scope of the new agency and

Mr. Spicer suggested that the distinction should be borne in mind between net investment and gross investment and pointed out that the development of the Middle East would increase our own markets in the area.

Mr. Clough asked whether it was possible to say how the proposal that the Middle East Governments should assume direct responsibility for relief work out in detail. He emphasised that the Treasury fully endorsed the principle involved.

Mr. Clapp and Sir Desmond Morton explained that the arrangements would have to vary in the case of each country, but that it was envisaged that detailed agreements would be drawn up between NERWA and the Governments concerned, under which NERWA would provide funds to the Governments and have powers to withdraw these funds immediately if it was considered that they were being misused.

In conclusion, Mr. Wright referred again to his recent discussions in Washington. He said that the International Bank had indicated that they were in principle willing to consider assisting all the projects outlined in the M.E.(0) Thaterim Report, but that their difficulty was that they were bound by their Constitution to insist on certain conditions for their loans, and these were just those conditions with which it was extremely difficult for a backward and undeveloped country to comply.

As regard technical assistance, the State Department had indicated that they intended to ask Congress for a sum of about \$5 million under the Point Four legislation for direct assistance to the Middle East Governments in the form of the provision of American experts. These funds, if available, might make it unnecessary for NERWA to have a separate technical assistance fund as the Survey Mission had suggested.

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Mr Field Robuson

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M. Lead Strikon

23. 12. 49

Doar Mr. Changh,

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to the Secretary of State.

Yours sincerely,

Charlite Waterlow.

Mr hela Robinson

This seems ale

right? Yes AM

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DRAFT

- 1. His Majesty's Government in the United Mingdom have already made evailable to the Mingdom of Jorden, £1 million, to be expended upon projects for the development of resources which will help to provide permanent employment for refugees from Palestine who elect to settle in Jordan.
- 2. In response to an appeal from the Secretary-General of the United Nations erising out of a Resolution by the General Assembly of the United Nations dated 8th December, 1949, His Majesty's Government in the United Ringdom are ready to make a further limited contribution for the purposes of the United Nations relief and works Agency for Palestine refugees, on condition that it be expended primarily on giving destitute refugees from Palestine temperary work where they now are, or failing that, direct relief in the form of food, shelter and clothing, until temperary work can be of fored to them.
- 3. Being convinced that the problem of the Palestine Arab refugees can only be solved by their repatriation or resettlement with compensation, if they so choose, his Majesty's Government in the United Kingdom are redy to make a contribution addition to that mentioned in 2) above, provided they are estimated that the additional contribution will be expended upon the development of resources which will provide opportunities for the permanent settlement of those refugees choosing that course in accordance with the Resolution of the General Assembly of the United Mations dated 11th December, 1946.
- 4. Detailed conditions upon which the additional contribution referred to in (3) above would be made, remain to be decided in consultation with other interested Governments, including the Government benefitting by the works, which will be expected to contribute to the execution of the programme within the limits of their resources.
- 5. The further contribution by His Hajosty's Government in the

United /

United Ringdom referred to in (2) above, as also the additional contribution referred to in (3) above must be in proportion to the total amounts contributed by other Governments.

6. Under the conditions mentioned in (2), (3), (4) and (5) above, his Majesty's Government in the United Ringdom are ready to make a contribution of up to one quarter of the total amount provided by other Governments apart from the United States of America; but subject to a total contribution from the United Ringdom of 21 million of which all million has already been subscribed in the form of a loan to the forman. Of this sum up to \$500,000 would be made available for the purposes mentioned in (2) above and up to \$750,000 for the purposes described in (3) above.

7. The £1 million in excess of the £1 million elready made available to the Jordan Government will be in non-convertible sterling.

1 FG P. M. on and refree file (THIS LOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT) CONFIDENTIAL M.E.(0)(50) 2 COPY NO. 36 3rd January, 1950 CABINET MIDDLE EAST (OFFICIAL) COMMITTEE Assistance to Arab Refugees The Resolution adopted by the United Nations General Assembly on December 8th 1949, setting up a United Nations Relief and Works Agency for the Palestine Refugees in the Near East, is circulated herewith to the Committee for information information. (Signed) T.E. Evans M.M. du Merton CABINET OFFICE, S.W.1 3rd January, 1950

ASSISTANCE TO PALESTINE REFUGEES Resolution adopted by the General Assembly at Its 273rd plenary meeting on 8 December 1949. The General Assembly, Recalling its resolutions 212 (III) of 19 November 1948 and 194 (III) of 11 December 1948, affirming in particular the provisions of paragraph 11 of the latter resolution, Having examined with appreciation the first interim report of the United Nations Economic Survey Mission for the Middle East (A/1106) and the report of the Secretary-General on assistance to Palestine refugees (A/1060 and A/1060/Add.1), 1. Expresses its appreciation to the Governments which have generously responded to the appeal embodied in its resolution 212 (III), and to the appeal of the Secretary-General, to contribute in kind or in funds to the alleviation of the conditions of starvation and distress emerges the Palestine refuses: amongst the Palestine refugees; Expresses also its gratitude to the International Committee of the Red Cross, to the League of Red Cross Societies and to the American Friends Service Committee for the contribution they have made to this humanitarian cause by discharging, in the face of great difficulties, the responsibility they voluntarily assumed for the distribution of relief supplies and the general care of the refugees; and welcomes the assurance they have given the Secretary— General that they will continue their co-operation with the United Nations until the end of March 1950 on a mutually acceptable basis; 3. Commends the United Nations International Children's Emergency Fund for the important contribution which it has male towards the United Nations programme of assistance; and commends those specialised agencies which have rendered assistance in their respective fields, in particular the World Health Organisation, the United Nations Educational, Scientific and Cultural Organisation and the International Refugee Organisation; 4. Expresses its thanks to the numerous religious, charitable and humanitarian organisations which have materially assisted in bringing relief to Palestine refugees; 5. Recognises that, without prejudice to the provisions of paragraph 11 of General Assembly resolution 194 (III) of 11 December 1948, continued assistance for the relief of the Palestine refugees is necessary to prevent conditions of starvation and distress among them and to further conditions of peace and stability, and that constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief; / 6.

financial regulations for the United Nations Relief and Works Agency for Palestine Refugees in the Near East;

- (d) Subject to the financial regulations established pursuant to clause (c) of the present paragraph, the Director, in consultation with the Advisory Commission, shall apportion available funds between direct relief and works projects in their discretion, in the event that the estimates in paragraph 6 require revision;
- 10. Requests the Director to convene the Advisory Commission at the earliest practicable date for the purpose of developing plans for the organisation and administration of the programme, and of adopting rules of procedure;
- 11. Continues the United Nations Relief for Palestine Refugees as established under General Assembly resolution 212 (III) until 1 April 1950, or until such date thereafter as the transfer referred to in paragraph 12 is effected, and requests the Secretary-General in consultation with the operating agencies to continue the endeavour to reduce the numbers of rations by progressive stages in the light of the findings and recommendations of the Economic Survey Mission;
- 12. Instructs the Secretary-General to transfer to the United Nations Relief and Works Agency for Palestine Refugees in the Near East the assets and liabilities of the United Nations Relief for Palestine Refugees by 1 April 1950, or at such date as may be agreed by him and the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- 13. Urges all Members of the United Nations and nonmembers to make voluntary contributions in funds or in kind to
 ensure that the amount of supplies and funds required is
 obtained for each period of the programme as set out in
 paragraph 6; contributions in funds may be made in currencies
 other than the United States dollar in so far as the programme
 can be carried out in such currencies;
- 14. Authorises the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to advance funds deemed to be available for this purpose and not exceeding \$5,000,000 from the Working Capital Fund to finance operations pursuant to the present resolution, such sum to be repaid not later than 31 December 1950 from the voluntary governmental contributions requested under paragraph 13 above;
- 15. Authorises the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to negotiate with the International Refugee Organisation for an interest-free lean in an amount not to exceed the equivalent of \$2,800,000 to finance the programme subject to mutually satisfactory conditions for repayment;

invites him to submit to the Secretary-General such other reports as the United Nations Relief and Works Agency for Palestine Refugees in the Near East may wish to bring to the attention of Members of the United Nations, or its appropriate organs;

22. Instructs the United Nations Conciliation Commission for Palestine to transmit the final report of the Economic Survey Mission, with such comments as it may wish to make, to the Secretary-General for transmission to the Members of the United Nations and to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

With Si Degenoral Horton's compliments.
My hilly Kolomeron.

COPY.

January 3, 1950.

Dear Miss Waterlow,

Permanent Secretariat of the United Nations.

With reference to the Foreign Office file which you showed me yesterday, I had a talk of several hours last night with Mr. Dudley Ward, whom you may know was an old Treasury official, and Assistant Editor of the "Economist"; for other things, see Who's Who.

After retirement he had a good deal to do wuth UNRRA and is now the London Representative of UNICEF.

I had no hesitation in talking to Dudley Ward in my usual "lurid" fashion (vide Miss Salt), but was impressed to find that, whereas he naturally defended UNICEF on broad principles, he was basically in agreement with me about not only the U.N. Permament Secretariat, but the other U.N. permanent organisations, e.g. F.A.O., UNESCO, WHO, &c., which report direct to the Assembly and not to Trygvie Lie.

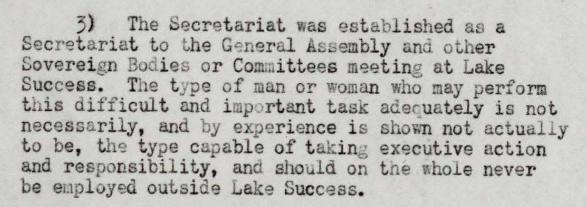
I myself pretend to little personal knowledge of anything save the members of the U.N. Permanent Secretariat sent to the E.S.M., U.N.R.P.R. and UNICEF in the Middle East. Briefly therefore, I can speak

directly....

directly of U.N. affairs generally only in the Middle East, but from hearsay in regard to the U.N. organisations elsewhere. On the latter point, you will understand that one or two members of the Permanent Secretariat attached to the E.S.M. were honest men and talked to me with wider experience than my own. I was frankly horrified at their stories, and at their state of mental misery at being connected with the Secretariat.

Returning to Dudley Ward, I may say that we first agreed that certain points must be made in excuse, if not in explanation:

- 1) The Secretariat must contain representatives of all nations members of U.N., whence it must inevitably include persons from Iron Curtain countries whose outlook and morals differ from the West, and to whom an oath has no meaning whatever. In addition, there are many other countries whose standard of service to a governing authority differs radically from that customary in Western Europe, the British Dominions or the U.S.A.
- 2) The Secretariat was formed in 1945/46, when the better type of public servant and administrator from Western Europe was not readily available. In addition, the more expert countries did not send and will not send their best men whom they want to use themselves.



4) The Rules and Regulations drawn up for the conduct of all the Permanent Secretariat of U.N. (of which Dudley Ward naturally has a copy, but neither he nor I know who is responsible for them) prevent efficiency, multiply staff and greatly add to the expense.

The above four points are the only ones which, with their natural elaborations, Ward and I could think up to explain, if not to mitigate, our mutual abomination of the Organisation.

Ward fully admitted that from what he knew of U.N. affairs in the Middle East, it was a ridiculous and horrible mess, even as regards UNICEF, his own show, but contended that UNICEF did efficient work elsewhere, since it was not handicapped by the presence of regular members of the Secretariat.

Ward also told me that Mr. Ivan Smith, an Australian, who is the Director of the U.N. Office

in

in London and whom I am going to collect for lunch and a talk, is a very fine fellow. He joined U.N.O. in the early days with the highest ideals, was so sickened by what developed that he left, but has once more returned in a high spirited idea that it is his duty as an honest man to try to put things right in his small way. The London Office runs well, but is continuously being let down by Lake Success. Dudley Ward gave me instances of an unbelievable character, all due to gross mismanagement and inefficiency at Lake Success. Loss of dacuments; failure to send information: failure to read telegrams; failure to adhere to promises, possibly for the foregoing reasons, &c., &c. Though not having personally served at Lake Success. Dudley Ward's view was that in all organisational, as opposed to direct secretarial duties. Lake Success must be a mad house. He had heard that Mr. Andrew Cordier, the Chief Administrative Officer at Lake Success, was one of the stupidest men alive. Incidentally, this was the opinion of Mr. Gordon Clapp, who met him before starting on the E.S.M.

My next point is that had I formed my opinions about what I saw myself in the Middle East, at the P.C.C. at Lausanne and at the U.N. H.Q. at Geneva, without corroboration from elsewhere, I would be ready to write it down as prejudice. This I cannot do when I find that men of a different temperament but undoubted ability, greater than mine, such as Gordon

Clapp....

Clapp, Erik Labonne and Cemil Gökcen formed including identical opinions, sometimes phrased even more luridly than my own style.

Neither I nor my colleagues on the E.S.M. were averse to high salaries being paid to the Secretariat, especially to the senior members. It is but few good men who will leave their homes and their interests to serve an international cause in foreign lands unless there is some solid inducement. Moreover, all of us held the opinion that persons doing hard or important work well should be paid highly. The principle whereby a man is considered of no account unless he has a hundred men working under him is thoroughly bad and is not the way to successful business, commerce or administration. There is therefore no question in my mind even of sub-conscious irritation or jealousy at the relatively enormous salaries paid by U.N. in principle, so long as the people doing the jobs are adequate to those jobs, and so long as there is no idea of pyramiding staffs in order to pyramid salaries.

In Dudley Ward's view, the central causes of the scandal are the average lack of character and ability in the U.N. staff, and equally so, the whole method of administration. This last is alleged to be founded on the U.S. State principle, but if so, it is inconcievable that the U.S.A. would work at all.

I see the enormous difficulties in taking any action to put matters right. Apart from natural inertia and the feeling that, "better the devil you know than the....

devil you don't", the existing staffs have got themselves contracts. Again, if a man of astonishing
ability controlled the administration - it is admitted
that the Secretary General in person is probably too
busy on legitimate other duties to spend time organising his staff - he would listen gladly to reasonable
suggestions from outside. As it is, any attack on the
efficiency of the Secretariat by a single country
without spending personnel, time and money in conducting an over-all enquiry into the affair, would meet
with almost insuperable difficulties.

This leads me to my first practical suggestion. Being honestly and sincerely convinced that this U.N. Secretariat is an abomination, and that if the U.N. is to go on receiving support and large funds from the U.K., something must be done to improve matters, I would suggest that the F.O. invite the opinion of other respectable countries. I mentioned to you that M. Parodi seemed to be entirely of my view about the U.N. Secretariat. Every country has a vote. What about the opinions of Belgium, Holland, Norway, Sweden and Portugal? This autumn a new Secretary General is to be elected, or Trygvie Lie re-elected, but I gather his staff continue under their contracts.

Do any of H.M.RR. come in contact directly with the Secretariat, apart from Cadogan, who may be too close to them to notice what is going on? In this connection, Mr. Morgan Mann, Councillor to Philip Broadmead at Damascus, told me that he had had personal contact with the Secretariat at Lake Success. I understood

that....

that for a short while he was on Cadogan's Mission. His stories were as lurid as anything I have ever told. In response to my enquiry as to why he had never reported these things if they were so, he answered that he was only a junior official at the time, and that although for this very reason he probably saw more of the inner workings of the affair than his Chiefs, he felt that no one would believe him. On transfer to another post he gladly forgot the business and hoped that he would never be in touch with the U.N. Secretariat again. I fear that that is a quite understandable attitude of mind. People who have their own careers to make do not like stirring up trouble.

You will not get information about the Secretariat through official representation.

I could go on and write a book about the thing. I doubt if that would help at this stage. I could analyse the various types who have joined the Secretariat, in so far as they are reflected in the ones I have met in Lausanne, Geneva and the Middle East. They are not all impossibles, but the percentage of impossibles is very dangerously high.

Yours ever,

Miss C. Waterlow, Middle Eastern Secretariat, The Foreign Office.

(Sd.) DESMOND MORTON

Mis Clark

CYPHER/OTP

DEPARTMENTAL DISTRIBUTION

FROM WASHINGTON TO FOREIGN OFFICE

Sir O. Franks.

D: 8.33 p.m. 4th January, 1950.

No. 31.

R: 7.10 a.m. 5th January, 1950.

4th January, 1950.

CONFIDENTIAL

Your telegram No. 11,821 of the 30th December 1949 and subsequent letter. Near East Relief and Works Agency.

State Department are much concerned at what they regard as the small size of the proposed United Kingdom contribution which they feel is entirely out of keeping with our interests and responsibilities in the Middle East. They are telegraphing to their Embassy in London their detailed views which are summarised below:

- (A) During the coming week (or possibly the week after) Congress will be asked to provide 27 million dollars for the Relief and Works Agency. This is intended to be an outright contribution and the State Department will endeavour to avoid the insertion of any matching clause in the legislation.
- (B) Of the balance of 27 million dollars required Clapp has estimated that the Arab states will provide the equivalent of 6 million dollars. If we provide about 6 million dollars also it will leave a balance of approximately 15 million dollars to be obtained from other sources. The State Department consider that such a sum will not be forthcoming and therefore the target of 54 million dollars will not be reached.
- (C) They consider that the proposed United Kingdom contribution will create an unfortunate impression in Congress and will prejudice their chance of obtaining the 27 million dollars for which they are asking.
- (D) They consider that our proposed action may give the impression that we are leaving to others the unattractive problem of the Arab refugees and holding back our resources for more remunerative investments in Iraq and Egypt.

Washington telegram No. 31 to Foreign Office.

-2-

- (E) They object to the conditions attached to our contribution, which apart from the matching clause mean that we insist on reserving the major part of our contribution (pounds sterling 1.75 million) for employment on constructive credit winning work and provide only a small sum (pounds sterling one half million) for straight relief. In their view all contributions should be divided between relief and relief works in the same proportion as the total sums allotted for this purpose in the Clapp report i.e. twenty-fiftyfourths for relief and thirtyfour-fiftyfourths for relief works.
- 2. We have done our best to prepare the State Department for the news of a small United Kingdom contribution for this new Agency. There can however be no doubt that the present proposal has been a great disappointment to them. They are of course fully aware of and sympathetic towards our financial difficulties but feel, apart from other considerations, that it is very much in our own interests to play a more substantial financial part in the new undertaking.

[Copy sent to Middle East Secretariat]

Su A. Britain 9 do air know the details of this at all; but I agree with the general principle 189 that we was at solo ? arganisel be as for. occasion to this his with wich UNITED KINGDOM TREASURY AND SUPPLY DELEGATION P. O. BOX 680 BENJAMIN FRANKLIN STATION WASHINGTON, D. C. TELEPHONE: DECATUR 9000

PLEASE QUOTE

REFERENCE NO.

McClough, It is you hade? of weed ecto what Charleton say

about preting too much stally within area.

9th January 1950.

My dear Leslie,

I wonder if you have seen telegram no. 31 from Washington to the Foreign Office concerning the size of the U.K. contribution to the Near East Relief and Works Agency. This takes a typical line that unless the U.K. contributes generously the chances of attended obtaining a sizeable contribution from Congfess will be jeopardized.

The amount involved is probably small, but the implications are serious. The major source of our economic weakness is the fact that too much sterling is already in existence (i.e. that there are too many existing claims against U.K. resources). We are currently engaged in discussing with the Americans measures which will enable us, with their cooperation, to dispose of some of the excess sterling. In spite of this the State Department are now insisting that we put more sterling into circulation in an area where we are particularly bedevilled by the size of the sterling balances already held by various countries in that area.

I suggest that this is one of those cases where we cannot afford to yield to the Congressional gambit. The process which amounts to our bribing Congress so that Congress will do those things which it ought in any case to do in the U.S. national interest has gone far enough. And I think that from a Treasury point of view we must stick to the line that the embarrassments arising from putting more sterling into circulation are greater than any potential gains from a contrary course of action.

Sir Leslie Rowan, K.C.M.G., H. M. Treasury, London, S.W.1.

cc: Sir F. R. Hoyer Miller, Norman Young Esq.

Yours ever

Allan Christelow

190

No, 17 Saving of 7th Jan 1950.

D: 1.00 p. m 7th Jan 1950

CONFIDENTIAL.

My telegram No,31 of January 4th: Near East Relief and works agency.

We have since taken the opportunity of pointing out to the officials concerned in the State Department that their wish for us to increase our contribution did not seem to be in keeping with the policy being urged upon us by the United States Administration of tightening up our control of the sterling balances and cutting down the amount of sterling available to the Middle Eastern countries. They replied that this particular matter had been considered by the National Advisory Council at which Hoffman and Snyder were represented and a contribution of up to the equivalent of 13 million dollars was agreed as appropriate for the United Kingdom.

Surely this is importment of the thurseins?

Franks.

EE 1822

CYPHER/OTP

DEPARTMENTAL DISTRIBUTION

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Sir O. Franks.

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Washington telegram No. 31 to Foreign Office.

- 2 -

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[Copy sent to Middle East Secretariat]



UNITED KINGDOM TREASURY AND SUPPLY DELEGATION

P. O. BOX 680 BENJAMIN FRANKLIN STATION

WASHINGTON, D. C.

PLEASE QUOTE

REFERENCE NO.

TELEPHONE: DECATUR 9000

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Yours ever,

Allan Christelow.

Sir Leslie Rowan, K.C.M.G., H. M. Treasury, London, S.W.1.

cc: Sir F. R. Hoyer Miller, Norman Young Esq.

Wr. Unin Sel he have a guick hole on this Deap 18/193 12 JAN 1950 Foreign Office, S.W.1.

LDow Stafford,

I am very sorry indeed to add to your burdens by reverting again to the question of the Arab Refugees. But I feel I have no alternative.

Combre

12th January 1950.

The position is, briefly, that the General Assembly of the United Nations, in endorsing the Clapp Report, has appealed for contributions to the equivalent of \$54 million over a period of 18 months.

The State Department are asking Congress for \$27 million as an outright contribution, and without any matching provisions. This is just half the total.

His Majesty's Government have so far agreed that their contribution shall consist of:-

- (1) £1 $\frac{1}{4}$ million sterling with some conditions attached to £ $\frac{3}{4}$ million of this.
- (2) The loan of £1 million sterling to Jordan, interest free, already authorised.

This makes a total of approximately the equivalent of \$6 million over 18 months.

There would remain the equivalent of \$21 million to be contributed by others. Both we and the Americans are pressing possible contributors, in particular France, Canada and other Commonwealth countries, and the Foreign Secretary is intending to speak to the latter in Colombo.

But if the money is to be found at all, the main contribution must inevitably be from the United States.

The Right Honourable Sir Stafford Cripps, K.C., M.P. We feel it is something of an achievement to have induced the State Department to ask Congress for \$ 27 million, and everything turns on this sum being made available, if possible without matching. We have informed the State Department of our own proposed contribution, in the hope that, although it is less than a quarter of the proposed American contribution, the chances of obtaining the \$ 27 million from Congress would not thereby be prejudiced.

This hope has unfortunately proved unfounded. have now been informed by the State Department that while they are most reluctant to approach us in the matter in view of our contributions in the past and of our present difficulties, they cannot hide the fact that Congress when asked for \$ 27 million will enquire what other countries are contributing, and that if they are told that the contribution from His Majesty's Government is \$ 6 million of which nearly one half is a repayable loan, the effect on the prospects of obtaining \$ 27 million from Congress will be in their own words "disastrous". H.M. Ambassador in Washington endorses this view, and it has also come to us independently from Mr. Clapp, on whose testimony before Congress the State Department are principally relying. Mr. Julius Holmes, the American Minister, has this day most strongly represented to me the same viewpoint.

The State Department add that, as they will endeavour to persuade Congress not to insist on a "matching" provision for their larger contribution, they are hoping that we shall not insist on matching for our much smaller contribution. They suggest that the best way of ensuring that as large a proportion as possible of the contributions are spent on schemes which will assist permanent resettlement is to work through the British and American representatives

on the Advisory Commission.

This leads me to the following conclusion, much as I dislike putting it to you. If the \$ 27 million are not obtained from Congress, the total will inevitably fall hopelessly short of the \$ 54 million required.

happens/

happens, His Majesty's Government will inevitably be asked by the United Nations for further contributions; and further the failure of the plans for Relief Works leading to resettlement may produce such chaos in the area that we shall lose still more in other ways. The Americans are proposing to use with Congress the argument that if the refugees starve the resulting confusion in the Middle East will gravely damage American interests in the area. We ourselves face a similar prospect.

Were these better times, it would have been desirable, in view of our interest and stake in the Middle East, for our contribution to be equal to that of the Americans. This being, of course, utterly out of the question, the minimum which we feel we ought to contribute is about onehalf the American contribution, namely the equivalent of 13.5 million dollars, and this we know is what the Americans were hoping for. This again is more than we can afford, but I think the very least which still offers a chance of the Americans contributing \$ 27 million is a contribution from ourselves of one-third of that amount, namely \$ 9 million over 18 months, of which \$ 2.8 million is in the form of a repayable loan. As I say, on this basis we may hope that the Americans will put up \$ 27 million, but we cannot of course be sure. All we can say is that if we cannot find this the chance of the American contribution is minimal.

This would involve a contribution by His Majesty's Government of a further £1 million over 18 months. The contribution would be just as valuable if it were divided into two halves, namely £500,000 in 1950 and £500,000 in 1951, or indeed even if the total outright contribution of £ $2\frac{1}{4}$ million were made in two equal halves.

I feel also that, faced with the new fact that the State Department propose to ask Congress not to introduce a matching provision for their larger contribution, it will pay us to take the same line for our smaller contribution.

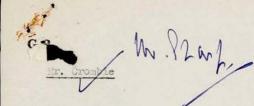
Finally I may say that on Mr. Bevin's instructions we have explored the possibilities of balancing an increased/

increased contribution for the refugees by economies elsewhere. We have looked at our contribution to I.R.O., our proposed contribution to the Fourth Point Programme, and the use of E.C.A. counterpart funds. Mr. Bevin's view was that it would be less damaging to us to spend less in some other field than to lose the prospect of the \$27 million from the Americans for the refugees. But so far we are advised that the difficulties in each of these cases are almost insuperable.

I may add that the hearings before Congress are expected to begin next week. The question is, therefore, somewhat urgent.

As I have said, I intensely dislike adding to your burdens in this way. But I feel that the case is so strong, and that so much is at stake, that I cannot do otherwise.

Hector 2 Port.



Arab Refugees

Minister of State's letter of 12th January

The Chancellor is already familiar with this question which we discussed with him on the 5th Prember (see minute of that date below).

The Minister of State now asks that we should increase the U.K. contribution to the new agency for the relief of arab refugees, from Sim., to which the Chancellor has already agreed, to £2 m. (These amounts are in addition to the gim. loan to Jordan which will also be spent largely on development work providing employment for arab refugees). The Minister also asks that the U.K. contribution should be free from "strings".

The main arguments in favour of these proposals are:-

- (i) Congress will be unwilling to approve a large contribution to the new agency (\$27m, has been suggested) if they learn that the U.K. is contributing no more than \$6m. (including the loan to Jordan). If Congress vote less than \$27m, the total sum of \$54m, required to operate the Clapp plan will not be realised. The plan will then fail and H.M.C. will have to pay out much more in the long run.
- (ii) As the State Department will try to persuade Congress not to insist on any "strings" for their contribution they hope we will not insist on putting any strings on ours.

We recognised from the beginning that the £1 m. to which the Chancellor has now agreed was much less than the figure (£1 including the £1 m. to Jordan) which, after talking to the State Department, the Foreign Office had suggested we should contribute. It is, however, a very generous increase over the £1 m. which the Chancellor thought only in august last should be the maximum of our further contribution for the assistance of the Arab refugees (C.M. 54th Conclusion, Meeting of 29th August). In setting a limit of £1 m. we had in mind the following considerations:-

- (i) We are not in a position to spend large sums of money in the Middle East. Because of this we are having to take a tough line over the release of the sterling balances of the Middle East Governments. It would be quite inconsistent with this policy for us to put up several million pounds to be spent at the unfettered discretion of an international agency on Arab relief.
- (ii) We have no great faith in the Clapp plan. This contemplates that the new Agency should subsidise the provision of work for the refugees much of which would be in the areas where they are living in the hope that by June, 1951 these refugees will all become self-supporting or else the Middle East Covernments themselves will continue to employ them from their own resources. Mr. Clapp himself admitted however that he has no very sure foundation for this hope. He said that the Survey Mission had in fact not looked beyond June, 1951.

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Our reaction to this is that we should be careful not to risk too much money in the Clapp plan - at any rate until we see whether it will do the trick.

Conditions attached to U.K. contribution

We attached the following conditions to our offer:-

- (i) The U.K. contribution would be a quarter of the total contribution of other Governments apart from the U.S.
- (ii) Our maximum contribution would be:-
- (a) 21m. for relief. (This was the 21m. offered as a maximum by the Chancellor in August last).
- plus (b) a further sim. to be spent on schemes providing o portunities for permanent settlement of the refugees.
 - (c) Grants under (b) above are to be subject to H.M.G. being satisfied about the nature of the project in question.

The main object of condition (i) is to get the United Nations to bring pressure on other Governments to contribute a fair share of the cost of the new Agency. If we waive this condition we run a risk that the U.S. and the U.K. together will be left to hold the baby.

We imposed the conditions at (ii)(b) and (c) because while it may be necessary to continue relief pure and simple for a short time until some works projects are started it is largely a waste of money. We want to see our grant spent in providing work where the refugees can make a permanent home. But this will involve some departure from the more easy line which the Clapp plan envisages, of paying for work where the refugees now are. We don't altogether trust the unfetteral judgment of an international agency (the membership of which has not yet been settled) to do the job our way and not their way.

There seem no adequate reasons for changing our minds on this question. Even if the Americans don't raise the full \$54m, contemplated in the Clapp plan the scheme will not necessarily be a complete failure. But even if it should fail it is by no means sur that this will be so disastrous to our interests as the Foreign Office suggest. And against this risk we have to set the risk of failing ourselves through putting too great a strain on our own resources. In this connection you will be interested to see the enclosed telegrams dated 4th and 7th January from Tashington, and Sir Leslie Rowan's and Sir H. Brittain's comments written on the attached letter from Mr. Christelow. These warms us strongly against putting too much free sterling into the Middle Sast. The State Department pressure for us to increase our contribution seems to be founded on the belief that we are still a wealthy nation. To are not and we should not allow the State Department to push us into spending money we can't afford on the plea that this will secure the good will of Congress.

/Recommendation



Recommendation

Recommended that the Chancellor should:-

- (a) refuse to make any further increase in the contribution of 21 m. already offered and
- (b) refuse to waive the conditions attaching to the U.K. offer, but offer to give further consideration to condition (i) above if in practice it has a restrictive effect.

Draft reply below. The draft does not comment on the condition about our vetting expenditure from P.M.G's contribution for works schemes as the Minister does not specifically ask for a relaxation on this point but only suggest that the Americans have grunbled about it.

11

18th January, 1950.

I agree. We should not allow to americans to push us into more than we can afford

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write to:-

The Right. Hon. Heator Momeill, M.S. Foreign Office.

I have looked into the question of the Arab refugees about which you wrote to me on the 12th January.

I appreciate your concern that the scheme provided in the Clapp Report should be a success, and that the United States should be a major contributor to the funl reguired to finance this scheme. I am afraid, however, that B.M.G. are in no position to provide large sums of money to be spent in the Middle East. Owing to our economic position we are already having to restrict severely the release of sterling balances of the Giddle Bast Governments. It would be quite inconsistent with this policy for H.M. C. to provide Alim. as you suggest for expenditure on Arab refugees. In any case we cannot affind The contribution immi which I have already agreed that H.M.G. should provide towards the funds of the new agency is a considerable increase over the figure of Ein, which, as recently as August last, I felt was the maximum I could offer, and I am afraid that I cannot agree to any further increase. I find it difficult in fact to understand why the State Desartment should feel disappointed at our offering a contribution of this order. They should well know we are not one half or even one third as rich as they but many times poorer. It may well be, as you say, that the failure of the plan for the resettlement of the Arab refugees would have gravely damaging results to our interests in the Middle Bast. But our resources are strained to the uttermost, and if through attempting too much we curselves fail we shall bring down many others with us. I hope, therefore, that you will endeavour the contribution we have to persuade the State Department that whitewesexammetringressary

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exant terenes half are executed and the first contract the contract the desired with the already offered represents as such as

I am afraid also that I feel reluctant to abandon the suggestion which the Treasury have made that the U.K. contribution should be conditional upon other Governments contributing in suitable proportions. The prime responsibility for the grap refugees rests with the Near

East Governments themselves. But if it is accepted that the present position of these refugees is also the concern of other Governments the burden should be borne mutually and not be left to us and the United States. I should hope in fact that the condition we have sought to attach to the U.K. contribution would serve to persuade the other nations concerned to contribute liberally themselves.

I think, therefore, that at any rate we should start on this basis.

If experience shows that this condition hours in the same of the contribute liberally themselves.

matter further consideration.

17th January, 1950.

9/04

CHANCELLOR OF THE EXCHEQUER

The Foreign Office wish to bring some further information to your attention. They now understand that the French are increasing their contribution from the equivalent of \$1.8 million to the equivalent of \$4 million in the first year with a further \$2 million in the following year. This would bring the total contribution to \$6 million - the amount the Americans think the French should contribute, and as much as we have so far said that we should contribute. The Foreign Office consider this an additional argument for agreeing a bigger contribution.

Mr. Crombie has been told of this additional information, but does not consider it such as to make the Treasury wish to change its mind about the recommendations put to you in the attached note.

B

18th January, 1950

I approve diest refle 15/1 Mobrilon
The Stage
Suit Growin M. 24.1.50

19th January.

hy Dear Hector,

I have looked into the question of the Arab refugees about which you wrote to me on the 12th January.

I appreciate your concern that the scheme provided in the Clapp Report should be a success, and that the United States should be a major contributor to the fund required to finance this scheme. I am afraid, however, that H.M.G. are in no position to provide large sums of money to be spent in the Middle Bast. Owing to our economic position we are already having to restrict severely the release of sterling balances of the Middle Bast Governments. It would be quite inconsistent with this policy for H.M.G. to provide 23km. as you suggest for expenditure on Arab refugees. In any case we cannot afford to do so. The contribution of flim. which I have already agreed that H.M.O. should provide towards the funds of the new Agency is a considerable increase over the figure of sim. which, as recently as August last, I felt was the maximum I could offer (in addition to the Elm. loan to Jordan) and I am afraid that I cannot agree to any further increase. I find it difficult in fact to understand why the State Department should feel disappointed at our offering a contribution of this order. They should well know we are not one half or even one third as rich as they. It may well be, as you say, that the failure of the plan for the resettlement of the Arab refugees would have gravely damaging results to our interests in the Middle Rast. But our resources are strained to the uttermost, and if through attempting too much we ourselves fail we shall bring down many others

/with

with us. I hope, therefore, that you will endeavour to persuade the State Department that the contribution we have already offered represents as much as in our present position we can afford. Already too much sterling is in circulation outside this country and in the Middle East and any further unrequited giving out of sterling will most seriously affect its stability.

I am afraid also that I feel reluctant to abandon the suggestion which the Treasury have made that the U.K. contribution should be conditional upon other Governments contributing in suitable proportions. The prime responsibility for the Arab refugees rests with the Near East Governments themselves. But if it is accepted that the present position of these refugees is also the concern of other Governments the burden should be borne mutually and not be left to us and the United States. I should hope in fact that the condition we have sought to attach to the U.K. contribution would serve to persuade the other nations concerned to contribute liberally themselves. think, therefore, that at any rate we should start on this If experience shows that this condition is having an undesirable effect, I should be willing to give the matter further consideration.

(sia) Stafford

Reference.

Mr. Clough.

On 16 January I met a Mr. Wells Stabler of the State Department, in England on a short visit. He is now in charge of "the Egyptian desk", but was concerned in a junior capacity in the State Department with the affairs of the Economic Survey Mission in the middle East.

Mr. Wells Stabler has been closely associated with Mr. Arthur Gardiner (Deputy to Mr. George McGhee, Assist. Sec. of State) who visited the Middle East and spent some weeks with us on the E.S.M. He had seen Mr. Gardiner just before coming to England.

Mr. Wells Stabler said that Mr. Gardiner is very depressed over the 8 Dec. 1949 Resolution by the General Assembly, setting up the U.N.P.Relief & Works Agency to carry out the recommendations of the E.S.M. According to Mr. Wells Stabler, Mr. Gardiner considers that, whatever may have been the intention, the resolution as passed will create an organisation which will be unsuccessful. Had the resolution made the "Advisory Commission" the responsible body and the "Director" merely a "General Manager", the policy of the E.S.M. could have been carried out. With a "Director" who is a "Managing Director", thereby reducing the "Advisory Commission" to a relatively subordinate rôle, Mr. Gardiner feels that U.N. influence will impede the strong line which alone would succeed. These views were firmly held by the E.S.M.

Mr. Wells Stabler believes that had Mr. McGhee been in Washington instead of in India when this resolution was passed, he would have fought hard for other wording and probably succeeded, since he would have easily persuaded the Sec. of State to let it be known that the U.S.A. would not subscribe to another U.N. organisation likely to waste money without effecting anything important. The eyes of many in the State Department are now open to what they have allowed to be done and they are consequently depressed.

In view of the above, which admittedly coincides with my own ideas, I would not recommend the Chancellor to agree to an increase in the U.K. subscription payable to and expendable by the new U.N.P.R & W. Agency, as now sought by the F.O.

If however, the Chancellor should wish to agree to an increased expenditure in the Middle East through being convinced that it is necessary to British foreign policy, I would recommend that he either does so by means of an additional British loan direct to one or more Middle Eastern Arab Governments for a specific purpose; or that the additional expenditure be on the direct recommendations of the U.K. member of the "Advisory Commission" of the new Agency.

This additional expenditure could nevertheless be treated as part of the U.K. subscription to the U.N. fund for refugees, for the purpose of "matching", in the same manner as is proposed for the £1 million loan to Jordan by the U.K.

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17 January, 1950.

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25 JAN 1950 January 24th 1950.

La Statorer

Thank you for your letter of January 19th about our contribution for Arab refugees.

As you probably know, this is a subject in which the Secretary of State has taken a deep personal interest, and I feel I cannot but let him know of how things stand, and await his views.

La Hecto. 2 Bet

The Right Homourable Sir Stafford Cripps, K.C., M.P.

1st February, 1950 XXX 5422 Ext. 871 Dear Sir Desmond. Many thanks for your letter of 30th January, about the R & W I think I might perhaps deal with your last point first - that about the extent to which the Middle Bast is undeveloped in that about the extent to which the Middle East is undeveloped in the sense that it has extensive resources awaiting injection of the necessary capital and skill. Of course, in making brief statements of any proposition there is always a risk of being misleading. I must agree straight away that those areas which do fulfill the definition are in fact not at great distances from the frontiers of Palestine. The areas I would exclude are most of the Jordan, Saudi Arabia, Persian Gulf States and Cman, Tripolitamia Cyrenaica, Eritrea, and most of Egypt. There may be many sound projects which could be embarked upon in these countries, which could lead to improved standards for their existing populations could lead to improved standards for their existing populations but which would not in general make them capable of supporting large additions to their present populations. I think it is generally accepted that, taking countries as a whole, Syria and Iraq offer great opportunities. hat I had in mind was that there are few areas capable, if properly developed of supporting somewhat larger populations than they now have within their boundaries. For this reason I would exclude the Jordan, though there may be quite a number of sound projects which could be put in hand in that country. In the terms of war-time jargon the Jordans should be an evacuation and not a reception error as for as refugees are concerned. First projects to be put. area as far as refugees are concerned. First projects to be put in hend should be designed at making the Jordans (including Arab Palestine and its residents) into a viable economy, before we start wondering whether she might not also take some refugees. /She is Sir Desmond Morton, Treesury Chambers Whitehall, S.W.l.

She is of course, regrettably willing to take them, but this is lieble in the future to be at our expense. It is extremely is difficult to say in advance that such and such a project will certainly be an economic proposition, and the further in advance one tries to say it more liable one is to be wrong. This is particularly a field in which it pays to feel ones way and make haste slowly. At best we can rule out the obvious non-statuters haste slowly. At best we can rule out the obvious non-starters and see that what are included are those schemes most likely to be profitable - in the widest sense of the term. I should like it proved in the event that the Jordana can be a viable economy with its existing population before any refugees are settled there and the next stage is attempted. This may be too much the This may be too much to hope for, but it is reasons like this which make me feel that we should offer more obvious reception areas like Syria and Iraq every possible incentive to take refugees (even if the dread word "Resettlement" is left out of our conversations for the time being). This is politically difficult for them, buteit is economically difficult to the extent of also being politically difficult for us to make sterling contributions towards projects which are virtually going to leave the problem unsolved. You agreed to many of the projects that the Mission had in mind, whilst in You agreed that themselves no doubt sound, would employ in their execution for more than they would provide settlement for when complete. And in areas like the Jordan there is no prospect even in the long-term of the full number of refugees at present in camps there finding permanent settlement. There are other areas of the Middle East where this would not be so. To quote the interim report-"less congested lands are not available for the settlement of additional population until much money has been spent and work done to make the land suitable for cultivation or for industrial developments: If, on other words, the relief and works projects could be concentrated in such areas, the refugees would find themselves on completion of the schemes at least in areas capable of offering prospects of long-term resettlement even if the relief and works projects were not themselves sufficient to secure it for all of them. My fear is that in two or three years time refugees in the Jordan still surplus to the absorptive powers of the projects they have helped to carry out will be even less willing to move than they are now. That is why I think we should be willing to risk quite a lot of political odium in putting the greatest possible pressure on Arab governments and refugees alike to secure (or at less take a few steps towards) something likely to provide a permanent solution. permanent solution.

I am not, of course, blind to the political difficulties and it may be that what we would no doubt all like to see is politically beyond achievement. But if Arab governments and refugees alike /are



are unwilling to take steps that will lead to a permanent solution, I do not feel that we are economically in a position to put a lot of money into something that will not.

The Mission was certainly right in wishing to place full responsibility on the shoulders of the Arab governments. Here again, however, I would make the reservation that this should not extend to those cases where the government is ready to assume responsibilities it should not assume. I refer again, of course, to the Jordan, and for the reason that we may only be exchanging a liability to pay a contribution for R & W for a liability to subsidise still further the Jordan economy.

I think that subject to these points and with the safeguards you suggest, the R & W Agency might achieve a lot. But it would be especially important that the Director of the Agency should be sufficiently under the control of an Advisory Commission who were themselves convinced on these points.

Yours sincerely,

With the Bupliments

If 1. 1. 2. Evans

Middle East Secretarial

Jaruagn Office.

319 Jebonary 1950

A. Clough, Esq.,

EE 1829 2.

FOREIGN OFFICE, S.W. 1. 2nd February, 1950 (国国 1829/2) CONFIDENTIAL I am writing with reference to our recent discussions with you and to your letter of the 3rd January to Miss Waterlow regarding the suggestion that we should take up with the United Nations the question of the waste of personnel and funds involved in providing a staff of 92 for the United Nations' Economic Survey Mission for the Middle East. We have now considered this question further here, and as a result we suggest that as a first step the Treasury should ask Sir William Matthews to obtain unofficially full details of the facts regarding numbers, functions, salaries, reasons for the appointments etc. We feel that the best method of raising the matter, when the full facts have been ascertained in detail, would probably be for Mr. Clapp to approach the Secretary-General, with our support. We think it would merely make for unnecessary delay to seek the support of other Governments first as you suggest. In addition, or as an alternative if this course is considered undesirable or impracticable, /the matter Sir Desmond Morton, K.C.B.; C.M.G., Treasury.



the matter might, if circumstances were favourable, be raised in the Fifth Committee when the General Assembly next meets. Since, however, this is a long way off, it would seem preferable that Mr. Clapp should take the matter up, as soon as possible. I realize that as Mr. Clapp has already visited Lake Success, the opportunity has perhaps been missed.

I am sending a copy of this letter to Clough.

(T. E. Evans)

CONFIDENTIAL. (For Treasury eyes only).

Mr. Clough.

Mr. Trefor Evans of the F.O. tells me he has sent you a copy of his EE 1829 1/2 of 2 February addressed to me, regarding the alleged over-staffing and other accusations against the U.N. Secretariat. Mr. Evans mentioned that he is writing to the Treasury to suggest that Sir William Matthews takes the matter up in a certain way.

It happens that before I got Mr. Evans' letter, Sir William Matthews sought me out of his own initiative, having heard rumours of my criticisms of the U.N. Secretariat. Now that Mr. Evans has made the move referred to above, I propose to get into touch with Sir William Matthews as soon as I can in order to have a longer and more explicit talk.

Meanwhile I understood from our first short talk that Sir William Matthews was independently very disturbed about the U.N. Secretariat for reasons which are more or less the same as my own. I understood him to say that efforts had been made by the U.K. Del. N.Y. and by himself to present to the most senior officials of the Secretariat a general case for reform, in view of the pending transfer to new Offices in Manhattan, which might afford a possible opportunity for stream-lining the organisation.

If you see no objection, I should like to be brought into any more official discussions which may take place with Sir William Matthews or others regarding the possibility of further action. I think I might be of some use to you. I also have views about the method of approach suggested by Mr. Evans, which in my opinion will not work. A particular approach regarding the alleged over-staffing and inefficiency of the U.N. Secretariat supplied to the Economic Survey Mission, is in my opinion of little value by itself. Before any action is taken some sort of general case must be made out. That was the burden of my previous correspondence with the F.O. on this subject.

I am sending a copy of this minute privately to Sir William Matthews.

6 February, 1950.

Sm

(1241)Wt725928/871 700,000 9/48 JC&SLtd Gp736/209 (REGIMINT) CONFIDENTIAL.

7 January, 1950.

Dear Trefor,

Many thanks for your Confidential letter EE 1829/2 of 2 February.

You may know that Sir William Matthews is at home and at the Treasury at present for a few weeks. Before you wrote your above quoted letter, Matthews sought me out, having heard that I had expressed certain views about the U.N Secretariat. We had a long talk. Doubtless he will be invited by the Treasury to give his views officially. That will be for him to do rather than for me to pass them to you at secondhand.

However, I feel inclined to let you know that Matthews is in broad agreement with what I have tried to say in confidential circles. He thinks that nothing can usefully be done until the changes take place in the Secretary General and Assistant Secretaries General this September. He also advises me to look up the Proceedings of the U.N. Ith Committee on Organisation, of which he is the British Delegate, and said I should see that he had been very critical at all the last three Sessions, but felt he had achieved little. He told me one or two stories of alleged inefficiency and waste of money which are at least the parallel of anything I can relate at first hand, but I will leave him to tell you these things direct if he so desires.

Matthews....

Matthews also mentioned that U.N. staffs for overseas missions were notoriously of poor quality and gave reasons for it, while expressing the opinion that the efficiency of the staff at Lake Success had improved slightly.

I understood from Matthews that the difficulty of doing anything is due to political repercussions. The Americans, who pay most of the money, care little about the efficiency or waste of the Secretariat. The large majority of smaller countries who pay little money equally do not care, since their real objective is to get some of their own nationals into prominent posts in the Secretariat and conduct political intrigues through them. Hence the U.K. has lacked support in the Jth Committee. Trygvie Lie takes no interest in the organisation of the Secretariat and none in the organisation of the specialised agencies who, with the exception of I.L.O., also come in form criticism from Matthews.

I am sending a copy of this letter to Clough.

Yours ever,

(Sd.) DESMOND MORTON

T. E. Evans, Esq., Foreign Office, S. W. 1.

IFC S PA 21/13/06 Treasury Chambers, Wind Weard Street Whitehall, S.M.1. 7 February, 1950.

Hear Speur (6)

It is indeed good of you to have written me your letter of I February about the R & W Agency. If I may say so, this letter is full of interesting points which ought to be in due course in the hands of whoever goes out as the British representative of the Advisory Commission. Unfortunately the last sentence of your letter

is only too true in my opinion.

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Yours gratefully,

J. G. P. Spicer, Esq., C.E.P.S. Great George Street.

DEShuma hunda

M2 Ha Clough to ELETION COPY IF 21/13/06 Cypher/OTP WORLD ECONOMIC AND SOCIAL DISTRIBUTION FROM NEW YORK TO FOREIGN OFFICE (From United Kingdom Delegation to United Nations) Sir A. Cadogan D. 7.51 p.m. 8th February, 1950 No. 164 R. 2.06 a.m. 8th February, 1950 8th February, 1950 Repeated to: Copenhagen, Washington. IMMEDIATE CONFIDENTIAL Addressed Foreign Office telegram No. 164 of 8th February repeated for information to Copenhagen and Washington. My telegram No. 42 Saving: Director of Near East Relief Works Agency. We understand from Secretariat that Koch is very interested in offer of appointment, but that his Government are hesitating about releasing him. Secretary General is anxious that Governments represented on Advisory Commission make further approaches to Danish Government to persuade them to let Koch go. If you have no objection we should be grateful if His Majesty's Ambassador Copenhagen could be instructed accordingly. Please repeat immediate to Copenhagen as my telegram No. 2. Repeated to Copenhagen 7. ADVANCE COPIES: Head of United Nations (Economic and Social) Department Sir G. Jebb. uuuuu

MR. GROMBIE

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U.K. Contribution to Near East Relief & Works Agency

The Chancellor told us this morning that the Foreign Secretary had advanced certain arguments in favour of an increase in our contribution to the proposed Near East Relief & Works Agency. We could not understand two of these arguments and it was arranged that we should get some further information about what the Foreign Secretary had in mind. The suggestions hashed that we were

- (a) that we had saved £1 m. on account of Jordan; and
- (b) that we were going to save a lot of money in Cyrenaica.

On (a) the Foreign Office tell me that there has been no change in the situation with regard to our £1 m. interest free loan to Jordan. the Foreign Secretary meant was that we had "saved" £1 m. in the amount of our contribution to the Near East Relief & Works Agency by getting the Americans to agree that the Jordan loan should reckon towards the total. This arrangement was first made when the Americans suggested that we should provide \$12 m. i.e. one-quarter of the total outside assistance contemplated, and one-half of the proposed U.S. contribution. The Foreign Secretary might conceivably say that we are lucky to have retained the agreement of the Americans to this arrangement although they now ask us to contribute only \$9 m. But the suggested contribution of \$12 m. was fantastically high. For the earlier United Nations Relief for Palestine Refugees Fund raised in 1948, the Americans were content that the U.K. should contribute only \$4 m. against \$16 m. provided by the U.S. Our present offer to contribute \$6 m. (including the £1 m. loan to Jordan) to the N.E.R.W.A. is very nearly in the same proportion to the suggested American contribution of \$27 m. If the Chancellor is looking for some means of agreeing to a moderate increase, he might suggest that we go up to the full quarter, viz. \$63 m. in all.

As regards (b) - Cyrenaica - the Foreign Office have for some time been trying to push the War Office into establishing a strong military base in that country. This would cost some £12-20 m. in works services alone. In addition the Foreign Office had planned to spend a further £ $1\frac{1}{2}$ m.

/approximately

approximately on public utilities mainly for the use of the Military Garrison.

The War Office intensely dislike the project and, as a result of recent objections on their part, it seems possible that it may be, at least temporarily, shelved. This is clearly no saving at all.

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9th February, 1950

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Mr field RA 14 FEB Reed WITH THE COMPLIMENTS OF THE UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS EE 1822/6 Reference : Copies also sent to :-Foreign Office, 13 February 1950 8B 37554-3 (16)

UNITED NATIONS



NATIONS UNIES

LAKE SUCCESS, NEW YORK

TELEPHONE: FIELDSTONE 7-1100

GABLE ADDRESS - UNATIONS NEWYORK - ADRESSE TELEGRAPHIQUE

SG/314/3/01/MF

20 January 1950

Sir,

I have the honour to draw your urgent attention to the attached resolution (A/1237) regarding assistance to Palestine refugees, which was adopted by the General Assembly on 8 December 1949, and in particular to paragraph 13, urging all Members of the United Nations to make voluntary contributions in funds or in kind to ensure the carrying out of the relief and works programmes.

Your attention is further drawn to paragraph 6 of the resolution, which states that the equivalent of approximately \$33,700,000 will be required for direct relief and works programmes for the period 1 January to 31 December 1950, and of approximately \$21,200,000 for works programmes from 1 January to 30 June 1951.

In accordance with the authority granted to me by the General Assembly in paragraph 14, I have arranged for the withdrawal of three million dollars from the Working Capital Fund of the United Nations to finance current operations and have begun negotiations,

The Secretary of State for Foreign Affairs, Foreign Office, Downing Street, London, S.W.l., England.



United Nations

GENERAL

2120

A/1237 9 December 1949

ORIGINAL: ENGLISH

GENERAL ASSEMBLY

Fourth session
Item 18 of the agenda

ASSISTANCE TO PALESTINE REFUGEES

Resolution adopted by the General Assembly at its 273rd plenary meeting on 8 December 1949

(adopted on the report of the Ad Hoc Political Committee (A/1222))

The General Assembly,

Recalling its resolutions 212 (III) of 19 November 1948 and 194 (III) of 11 December 1948, affirming in particular the provisions of paragraph 11 of the latter resolution,

Having examined with appreciation the first interim report of the United Nations Economic Survey Mission for the Middle East (A/1106) and the report of the Secretary-General on assistance to Palestine refugees (A/1060 and A/1060/Add.1),

- 1. Expresses its apprevation to the Governments which have generously responded to the appeal embodied in its resolution 212 (III), and to the appeal of the Secretary-General, to contribute in kind or in funds to the alleviation of the conditions of starvation and distress amongst the Palestine refugees;
- 2. Expresses also its gratitude to the International Committee of the Red Cross, to the League of Red Cross Societies and to the American Friends Service Committee for the contribution they have made to this humanitarian cause by discharging, in the face of great difficulties, the responsibility they voluntarily assumed for the distribution of relief supplies and the general care of the refugees; and welcomes the assurance they have given the Secretary-General that they will continue their co-operation with the United Nations until the end of March 1950 on a mutually acceptable basis;
- 3. Commends the United Nations International Children's Emergency
 Fund for the important contribution which it has made towards the United
 Nations programme of assistance; and commends those specialized agencies
 which have rendered assistance in their respective fields, in particular the
 World Health Organization, the United Nations Educational, Scientific and
 Cultural Organization and the International Refugee Organization;

- 4. Expresses its thanks to the numerous religious, charitable and humanitarian organizations which have materially assisted in bringing relief to Palestine refugees;
- 5. Recognizes that, without prejudice to the provisions of paragraph 11 of General Assembly resolution 194 (III) of 11 December 1948, continued assistance for the relief of the Palestine refugees is necessary to prevent conditions of starvation and distress among them and to further conditions of peace and stability, and that constructive measures should be undertaken at an early date with a view to the termination of international assistance for relief;
- 6. Considers that, subject to the provisions of paragraph 9(d) of the present resolution, the equivalent of approximately \$33,700,000 will be required for direct relief and works programmes for the period 1 January to 31 December 1950 of which the equivalent of \$20,200,000 is required for direct relief and \$13,500,000 for works programmes; that the equivalent of approximately \$21,200,000 will be required for works programmes from 1 January to 30 June 1951, all inclusive of administrative expenses; and that direct relief should be terminated not later than 31 December 1950 unless otherwise determined by the General Assembly at its fifth regular session;
- 7. Establishes the "United Nations Relief and Works Agency for Palestine Refugees in the Near East":
 - (a) To carry out in collaboration with local governments the direct relief and works programmes as recommended by the Economic Survey Mission;
 - (b) To consult with the interested Near Eastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available;
- 8. Establishes an Advisory Commission consisting of representatives of France, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America, with power to add not more than three additional members from contributing Governments, to advise and assist the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the execution of the Programme; the Director and the Advisory Commission shall consult with each Near Eastern Government concerned in the selection, planning and execution of projects;
- 9. Requests the Secretary-General to appoint the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in consultation with the Governments represented on the Advisory Commission;

- (a) The Director shall be the chief executive officer of the United Nations Relief and Works Agency for Palestine Refugees in the Near East responsible to the General Assembly for the operation of the programme;
- (b) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary-General, including such of the staff rules and regulations of the United Nations as the Director and the Secretary-General shall agree are applicable, and to the extent possible utilize the facilities and assistance of the Secretary-General;
- (c) The Director shall, in consultation with the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, establish financial regulations for the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- (d) Subject to the financial regulations established pursuant to clause (c) of the present paragraph, the Director, in consultation with the Advisory Commission, shall apportion available funds between direct relief and works projects in their discretion, in the event that the estimates in paragraph 6 require revision;
- 10. Requests the Director to convene the Advisory Commission at the earliest practicable date for the purpose of developing plans for the organization and administration of the programme, and of adopting rules of procedure;
- 11. Continues the United Nations Relief for Palestine Refugees as established under General Assembly resolution 212 (III) until 1 April 1950, or until such date thereafter as the transfer referred to in paragraph 12 is effected, and requests the Secretary-General in consultation with the operating agencies to continue the endeavour to reduce the numbers of rations by progressive stages in the light of the findings and recommendations of the Economic Survey Mission;
- 12. <u>Instructs</u> the Secretary-General to transfer to the United Nations Relief and Works Agency for Palestine Refugees in the Near East the assets and liabilities of the United Nations Relief for Palestine Refugees by 1 April 1950, or at such date as may be agreed by him and the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- 13. <u>Urges</u> all Members of the United Nations and non-members to make voluntary contributions in funds or in kind to ensure that the amount of supplies and funds required is obtained for each period of the programme

as set out in paragraph 6; contributions in funds may be made in currencies other than the United States dollar in so far as the programme can be carried out in such currencies;

- 14. Authorizes the Secretary-General, in consultation with the
 Advisory Committee on Administrative and Budgetary Questions, to advance
 funds deemed to be available for this purpose and not exceeding
 \$5,000,000 from the Working Capital Fund to finance operations pursuant
 to the present resolution, such sum to be repaid not later than 31 December
 1950 from the voluntary governmental contributions requested under
 paragraph 13 above;
- 15. Authorizes the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to negotiate with the International Refugee Organization for an interest-free loan in an amount not to exceed the equivalent of \$2,800,000 to finance the programme subject to mutually satisfactory conditions for repayment;
- 16. Authorizes the Secretary-General to continue the Special Fund established under General Assembly resolution 212 (III) and to make withdrawals therefrom for the operation of the United Nations Relief for Palestine Refugees and, upon the request of the Director, for the operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
- 17. Calls upon the Governments concerned to accord to the United Nations Relief and Works Agency for Palestine Refugees in the Near East the privileges, immunities, exemptions and facilities which have been granted to the United Nations Relief for Palestine Refugees, together with all other privileges, immunities, exemptions and facilities necessary for the fulfilment of its functions;
- 18. <u>Urges</u> the United Nations International Children's Emergency Fund, the International Refugee Organization, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization and other appropriate agencies and private groups and organizations, in consultation with the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, to furnish assistance within the framework of the programme;
- 19. Requests the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East:
 - (a) To appoint a representative to attend the meeting of the Technical Assistance Board as observer so that the technical assistance activities of the United Nations Relief and Works Agency for Palestine

Refugees in the

Refugees in the Near East may be co-ordinated with the technical assistance programmes of the United Nations and specialized agencies referred to in Economic and Social Council resolution 222 (IX) A of 15 August 1949;

- (b) To place at the disposal of the Technical Assistance Board full information concerning any technical assistance work which may be done by the United Nations Relief and Works Agency for Palestine Refugees in the Near East, in order that it may be included in the reports submitted by the Technical Assistance Board to the Technical Assistance Committee of the Economic and Social Council;
- 20. <u>Directs</u> the United Nations Relief and Works Agency for Palestine Refugees in the Near East to consult with the United Nations Conciliation Commission for Palestine in the best interests of their respective tasks, with particular reference to paragraph 11 of General Assembly resolution 194 (III) of 11 December 1948;
- 21. Requests the Director to submit to the General Assembly of the United Nations an annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, including an audit of funds, and invites him to submit to the Secretary-General such other reports as the United Nations Relief and Works Agency for Palestine Refugees in the Near East may wish to bring to the attention of Members of the United Nations, or its appropriate organs;
- 22. <u>Instructs</u> the United Nations Conciliation Commission for Falestine to transmit the final report of the Economic Survey Mission, with such comments as it may wish to make, to the Secretary-General for transmission to the Members of the United Nations and to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

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SIR JAMES ROUBLE

Arab Refugees U.K. Contribution to the Near East Relief & Works Agency

The Foreign Office have raised a question about the arrangement to which the Chancellor egreed in his talk with the Foreign Secretary on the 10th February.

The Chancellor's minute of that date says that he agreed to increase the U.K. contribution to the Near Fast Relief and Vorks Agency to one-quarter (of the contribution of \$27 m. it is believed the Americans will offer) and to round it off to \$7 m. It was our intention in advising the Chancellor on this question that any increased contribution should, like the suggested American contribution (and also the French offer of \$6 m.), be related to the whole 18-month period of the Clapp plan, i.e. up to June, 1951. The Foreign Office understand, however, that the Chancellor has now agreed that we should contribute \$7 m. for the first year of the plan, leaving it for further consideration what should be our contribution next year.

A U.K. contribution of \$7 m. related to the first year of the plan only would expose us to very strong demands for a further contribution for the remaining six months of the plan, and if the Chancellor has not already agreed to such an arrangement, we should like to be able to tell the Foreign Office that our contribution of \$7 m. relates to the whole period of the plan and that they must not expect any further contribution next year.

And

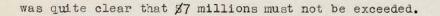
16th February, 1950.

Mr. Clough

Mr Wright so informed Mr 20/2

I mentioned this at Morning Meeting to-day.

The Foreign Secretary must have misunderstood the Chancellor. The Chancellor is quite clear that he said that the maximum contribution to be made by H.M.G. must be limited to \$7 millions. He did not mind whether it was paid during the first twelve months or over the eighteen months period, but he



9.1.0.0:

20th February, 1950.

m? a H blough (fore) ACTION COPY

Cypher/OTP WORLD ECONOMIC AND SOCIAL DISTRIBUTION

FROM NEW YORK TO FOREIGN OFFICE

(From United Kingdom Delegation to United Nations)

Sir A. Cadogan

D. 7.32 p.m. 18th February, 1950

No. 215

18th February, 1950 R. 7.55 p.m. 18th February, 1950

Repeated Saving to Washington and Copenhagen

PRIORITY CONFIDENTIAL

Addressed to Foreign Office telegram No. 215 of 18th February repeated for information Saving to Washington and Copenhagen.

My telegram No. 164.

Director of Near East Relief and Works agency.

Secretariat now tell us that Koch cannot accept. They made one last try for Jackson, but United States remained firmly opposed. With agreement of delegations concerned, Secretariat are now approaching MacNamara (My telegram No. 2956) who, in spite of his age, seems best present candidate.

2. He seems willing but matter will have to be cleared with Canadian Prime minister. Decision should be known in day or two. Should he fall through, Boerma (my telegram No. 42 Saving) seems next best. To avoid possible delay, please let us know as soon as possible whether you agree to Boerma as second string.

Please repeat to Copenhagen as my telegram No.1 Saving.

[Repeated Saving to Copenhagen].

ADVANCE COPY TO:

Head United Nations Economic and Social Department.

Cypher/OTP

WORLD ECONOMIC AND SOCIAL DISTRIBUTION

FROM NEW YORK TO FOREIGN OFFICE (United Kingdom Delegation to United Nations)

Sir A. Cadogan No. 245

D. 9.37 p.m. 24th February, 1950.

24th February, 1950. R. 3.46 a.m. 25th February, 1950.

Repeated Saving to: Washington

PRIORITY CONFIDENTIAL FERTILE

Addressed to Foreign Office telegram No. 245 of 24th February, repeated for information Saving to Washington.

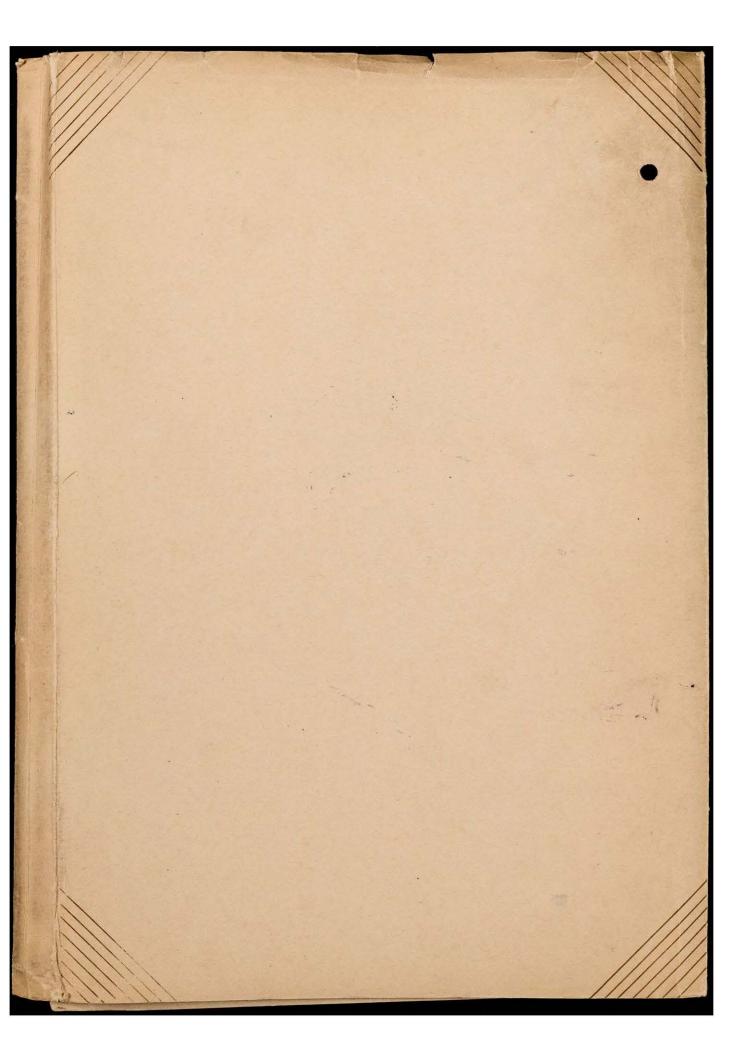
Your telegram No. 333 - Director of Near East Relief Works Agency.

Secretary-General now says MacNamara not available and State Department still refuse to agree to an American.

Secretary-General is considering Hartnett formerly Head of Australian General Motors and Director of Australian Ordinance during the war who was originally recommended by Lord Bruce. Have you any objection to his appointment?

ADVANCE COPIES

Head of United Nations Economic and Social Department



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